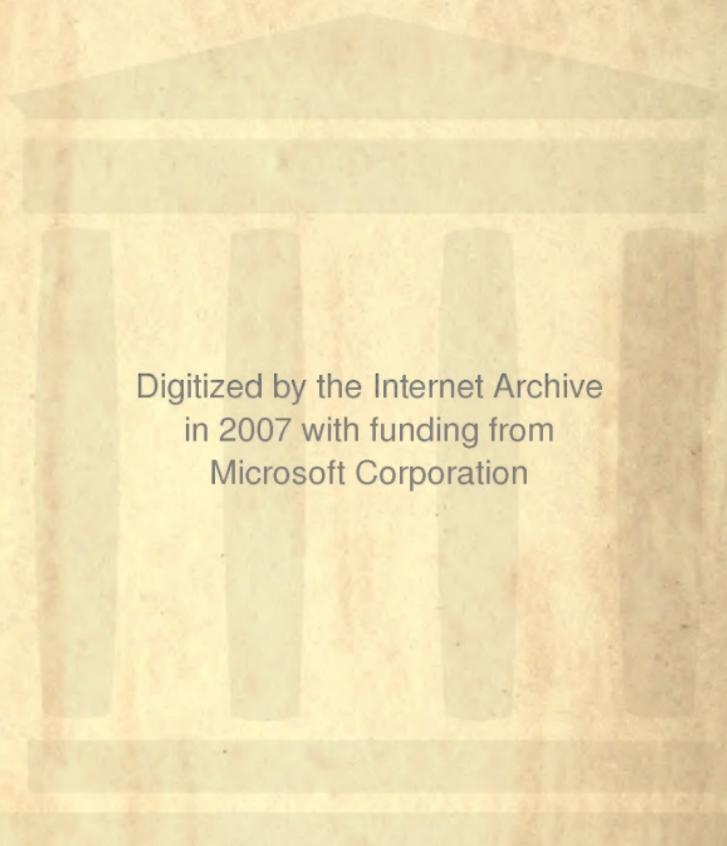


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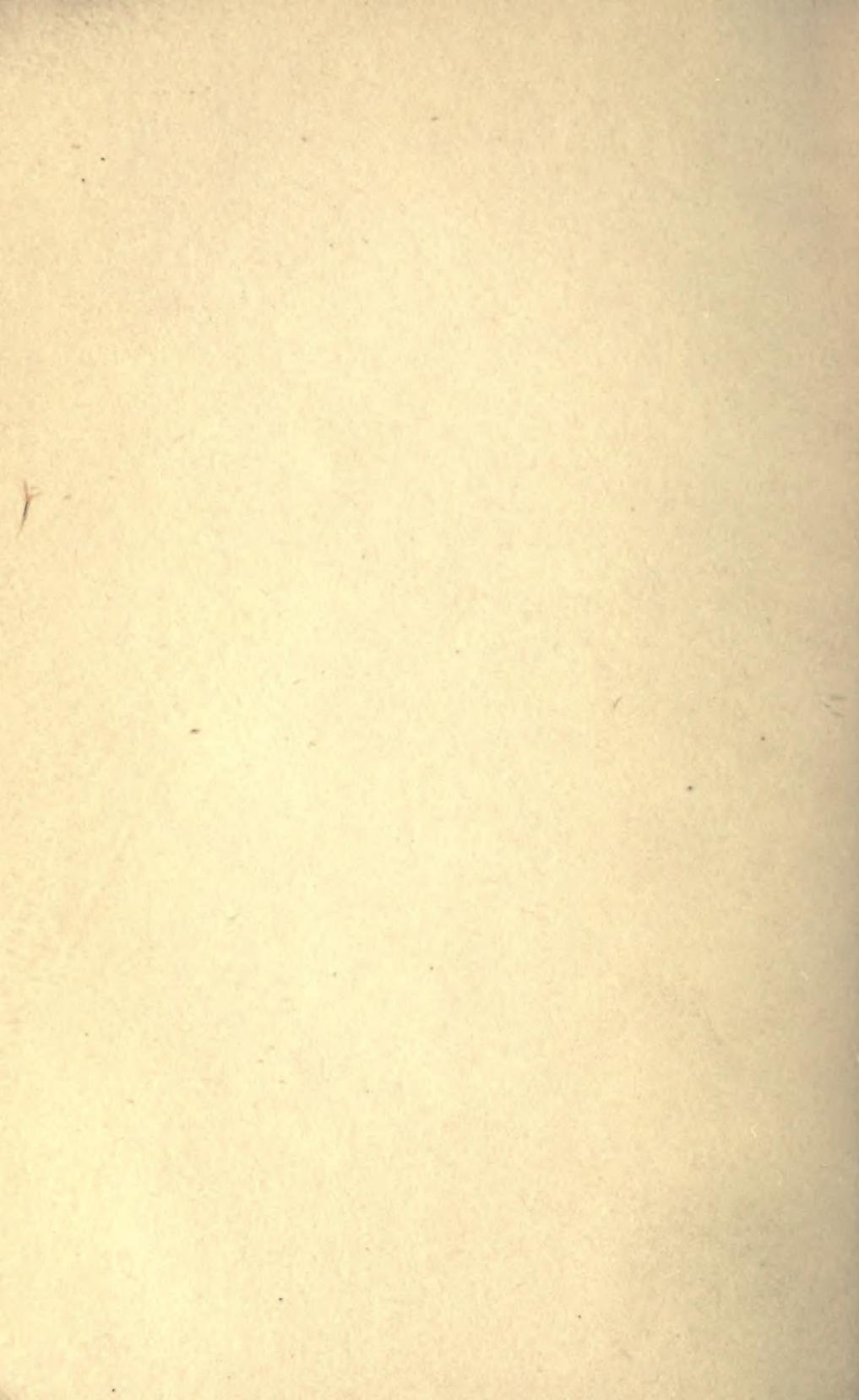
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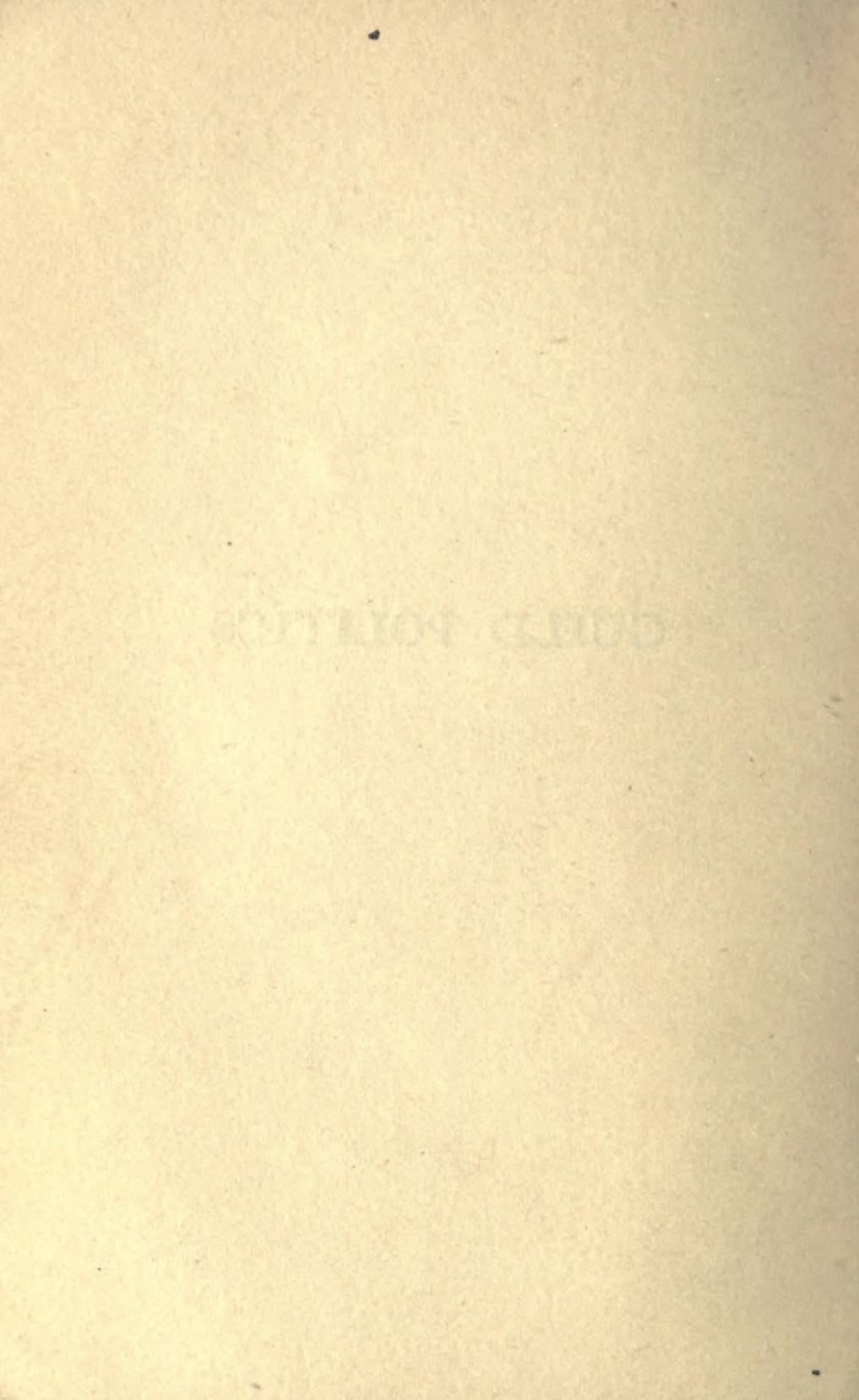
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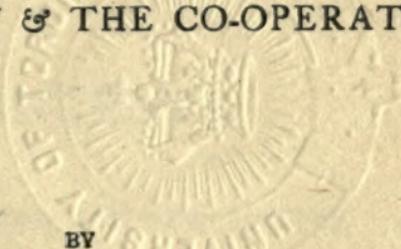
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GUILD POLITICS;

A PRACTICAL PROGRAMME FOR THE
LABOUR PARTY & THE CO-OPERATORS



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GUILD POLITICS

CHAPTER I

THE NEW PARTY AND THE NEW POLITICS

THE Labour Party is on the verge of a very new epoch in its career. Hitherto it has been in the position of a tradesman who has scarcely made the public understand that he has opened a new shop, or where it is situated. Now the Labour Party is within a very moderate distance of the seat of government. It has a reasonable chance of being soon the governing political party in the State.

It cannot be said that it altogether owes this exciting chance in life to its own merits. It owes it to its opponents. The governing classes of Europe, the gentlemen, the generals, the bankers and manufacturers, who have hitherto ruled the great nations of the world, have apparently decided to commit suicide. It is not for us, their unhappy victims, to inquire impertinently into their motives, still less shall we try to delay their generous self sacrifice. The simple fact stands that, by a course of international and national government which has obvious

affinities with the lunatic asylums (and also some resemblance to the comic operas), the statesmen and politicians of modern Europe have during the last few years announced freely to all the peoples that they do not know how to rule. The diplomats of Europe by clumsy intrigue (which they dignified with the phrase of "policy") reduced modern internationalism to an arena for bull fights and gladiatorial shows ; the soldiers have spent five years in levelling the ring (and the spectators) as flat with the ground as possible ; and the politicians have now devoted two more years' hard work to collecting the remains into a dust heap. It is clearly a case for suicide.

Not to intrude into ancient history, during the last seven years the ruling classes of Europe and America have conducted the affairs of the world with the childlike incapacity one might have expected from a set of third-form school children, assisted by their nursemaids. It is rough luck on the Labour Party, for it is about to step into power at the moment when the world is beginning to believe (with good reason) that half its politicians and governors are knaves, and the rest not far from fools. The situation is not improved when the latest exponents of democratic reform, Messieurs Lenin and Trotsky and their friends appear to be only a comfortless confirmation of the proverb about the frying pan and the fire. And out of the chaotic tumult of this mad Europe the Labour Party will soon have to make its voice

heard with a new gospel to attract and soothe a distracted people.

It is a somewhat ironical situation. To have waited for power so long ; to have almost touched it —just at the moment when intelligent persons are wondering whether anything could possibly be worse than another government of any kind whatsoever. Until Lenin and Trotsky tried, there was the comfort that nothing could be worse than the last—but now almost that hope has disappeared. However, that portion of human progress which is defined as “the next government” does not come as a matter of deliberate choice. The mills of destiny (whether heavenly or satanic) go on grinding, heartlessly independent of human desires ; and it is written in the sands that the next political flour from the political mill will be of the Labour kind. It is certainly the only sign of sanity on the political horizon : it is rapidly becoming the only hope of hundreds of thousands of intelligent people who do not come within the dictionary’s definition of the term “Labour.”

The task of the Labour Party is colossal : more worthy of a great dramatic poem than a political pamphlet. If the people of the world had any sense of justice they would tell their present governors to clear up their own mad muddles, and not soil the hands of respectable people. But admirable a thing though poetic justice may be, we cannot spare time

to enforce it. To ask the politicians and diplomats to clear up England (and Europe) to-day would be like asking a madman to clean a cow-shed—he would certainly put the manure into what remained of the milk. We want safety, not picturesque revenge. If there were a stupid statesman dangling from every lamp-post in London, the work of rebuilding would still remain to be done. Besides, public contempt may be a sufficiently poetic punishment on the cocks who have been crowing on their dunghills in Europe.

It will not be any programme of the politicians' kind that will make England and Europe wholesome again. Every possible combination of political buffoonery and trickery has been tried. The present system of modern capitalism has been bolstered up and restored on north, south, east, and west. Every party cry that can allure an electorate has been shouted from every platform. The politicians have changed sides of the House; have even taken on each other's politics as well as each other's seats. Our orthodox statesmen, in pursuit of a will-o'-the-wisp called Progress, have plunged in their dark way from one bog into the next ditch. If the new Labour Party is going to save us it must be by a very different creed than any we have been offered by the gentlemen who are now so thoughtfully committing political hara-kiri—it is, alas, their first thoughtful act. The Labour programme must be something entirely new in modern political life. But it does not necessarily

follow that it will be new to human life. The Labour Party will discover that it may not so much need a new gospel for mankind ; but rather that it must merely try to restore some of those elementary decencies of life which have always distinguished man from the unintelligent brutes.

Take a simple example from everyday life. One of the main needs of the moment is to stop profiteering. To a very large extent that was most successfully done during those Middle Ages which ignorant men have called dark. It was one of the decencies of those times that it was grossly immoral to make large profits out of one's neighbours. When a man had done that, it was taught by the Church that he should go to his priest and confess it as a foul sin ; and they had intelligent anti-profiteering legislation to see that the police could interfere if the priest failed to censure. We have but to restore the morality and the legislation (only a little modified) of the Middle Ages, and profiteering would again become a speculative and dangerous trade, instead of the most profitable and safest of livelihoods. But this is only an incidental illustration of the theory that so much of the new Labour Party programme will be merely a return to healthier human conditions that have already existed. We must remember that the vast bulk of humanity is not so far away from decent social morality : it is only a few dirty minds that rob their fellow men, unless there is no other way of

making a living. Profiteering is not normal—it is only an occasional disease.¹

Perhaps we here get near the secret of the programme of the new Labour Party—if it is to have any success. Far more than a new political and economic programme, it wants first a new morality, a new taste—or it would be better to say an older morality, an older and sounder taste in art and philosophy. The world has of late gone wrong because some degenerate men began to pursue vulgar ambitions. They were more anxious to get rich than to produce sound wares. A guild of mediæval craftsmen made it one of their first duties to appoint searchers, who examined all products to ensure that they were of a fit standard of workmanship; the first duty of a modern joint-stock company is to appoint a board of financial gentlemen who will see that the balance sheet is above the standard of profits. That is, of course, a question of economics and commerce—but first and more fundamentally

¹ The word profiteer does not appear in a standard dictionary of less than twenty years ago. There has always been selfish grabbing, but we do not realise how it is only during the last few generations that profiteering has been made a deliberate profession in modern Europe. The mediæval system had a higher morality. We have sunk again to the crude vulgarity of the Roman Republic, when, as to-day, plutocrats governed the State for their own advantage. There was plenty of self-seeking in the Middle Ages—but it had to hide itself. Now, a profiteer displays himself in the House of Lords.

it is a question of morality. The new Labour Party, in the most practical and hard-headed of senses, must realise that a well-phrased sermon by a philosopher or a priest may be as effective as the most carefully drafted anti-profiteering Acts. A series of frank ethical prize-fights in the House of Commons, without gloves, might bring the blood to the faces of the gentlemen who represent profiteers in the national assembly. This is by no means saying that our efforts should end in trying to bring a blush to the cheeks of a moneymaking member of Parliament. Put the law on him by all means—and let it be a tight law, tight as the rope which hangs the murderer who has only spoiled one human life instead of ruining the lives of thousands. But let not the vulgar moneymakers imagine that they are going to escape with a moral lecture: for the Labour Party, as men of the world, will be concerned with the most precise of legal codes. All that is insisted on here is that the people will never be roused to demand a better legal code until they are inspired by a higher moral one than is taught by most of the politicians and the priests of to-day.

But the Labour Party is again rather unfortunate at this critical moment of its history. Not only has it come to the steps of the ruling throne at the moment when all rulers are the laughing-stock of the world; in its own ranks it is suffering from a radical indecision as to what its own policy should be. It

has gone through its youthful career on the confident assumption that what it should demand was the creation of what it shortly termed the Socialist State. The machinery of government was to be seized by Labour members out of the hands of the Capitalist members and officials, and turned to the advantage of a new social class. The Labour world was not to be so very unlike the Capitalist world except that somebody else was to get the profits. The old State was still to be there, it was merely to be used for new purposes.

However, grave doubts have crept into the minds of sceptical men. Put briefly, there is a suspicion growing that perhaps the present Government is not only bad because it is a government of rich men, but also because it is a rule of bureaucrats. There is a fear that the Socialist bureaucratic state may turn out as dangerous to liberty and popular welfare as the Capitalist State. Put briefly in the language of the present controversies, there is a struggle arising between the principles of old-fashioned State Socialism and the newer (or really older) principle of decentralised government and smaller and more self-governing industrial units. Still more briefly, it is the argument between the State Socialists and the Guild Socialists. The Labour Party may come into power before the verdict has been given. Nevertheless, the idea is rapidly arising that what England wants is not only a new political party but also a new policy of

Economics. The orthodox Socialist policy is seen to be much more like the old Capitalist regime than most enthusiasts imagined.

It will be the aim of this little book to set down in outline a policy for a new Labour Party and for a new Labour Economy. Politics and politicians have put themselves into such contempt that if the new men go forth to battle with the old cries or anything like them, they will be received with the contemptuous silence of a world that is disillusioned. "These rising politicians," the common man will say, "have they not always said they were something quite new, something altogether better than the old? . . . We are tired of them all! They may be only a new kind of rogues. There are plenty in the world . . . and they all seem to get into politics, sooner or later . . . A plague on all their houses."

If Labour is to succeed in getting an army of opinion behind it, it will be by strategy and tactics which by no chance can be confused with anything else in the political field. It must declare for a new kind of legislation, for a newer social morality, which by no manner of means can be mistaken for anything else that has been offered within the memory of living men. It may turn out to be something far broader in its scope than Labour conceived in its more modest days.

CHAPTER II

THE PROBLEM OF GOVERNMENT

THERE is a common belief that it is a very difficult thing to design Utopia, and that it needs a very accomplished person, such as a Lord Chancellor or a popular novelist, to do it with any success. This is quite a mistake. Almost anybody can think out a perfect plan of life for perfect beings—which is the problem of Utopia. Angels are the simplest of problems ; they always do what they are told ; and, indeed, usually do it without being told. Perfect beings do not want any government, and in the ideal State the political constitution will be of comparatively trivial importance. But it needs a real genius to find the best way of governing the ordinary humdrum people who go to football matches and spend week-ends at Brighton or Sunday on the river. Unlike the angels, such people require an enormous amount of instruction as to what they ought to do ; and it is only as a rare exception that they do it. In short, the problems of government have nothing to do with ideal persons, but almost entirely with the motley

and imperfect crowd that can be passed in any street, or met in any public-house or Pall Mall club. The problem of government is to find a way of making imperfect persons act a little more perfectly ; and the first thing, strangely enough, the student has to realise is that the essential rule of government is to teach people to do without it. The political schemer and the scientific student of society never get within sight of that abstract vision of perfection which amuses the spare hours of the Utopia-builders. The practical man of affairs who stops to worry about the perfect creature is wasting his time and confusing the issue. Let him stroll along a marketing street of a poor district on a Saturday night ; let him consider the crowd of shoppers at a West-End store, or the diners at a Piccadilly restaurant. These are the factors of his problem. He has to construct a scheme of social regulations that will not be beyond the intelligence of a colonel, or beneath the notice of a beach of holiday makers at Southend. Government is the guiding of everyday people in their everyday life.

There is one serious difficulty at the start. It must not be imagined that it is possible to argue the matter according to the rules of logic and commonsense. When the ordinary voter goes to the ballot box, he apparently leaves such encumbrances at home. A nation which returned to office the Coalition Ministry and Parliament of 1918 is clearly unable to debate political affairs on the basis of intellect. A people

who believed that a ruined Germany could pay for the war ; or considered that Mr Lloyd George and his plutoeratic friends would give them a well-planned peace ; such voters obviously went into the political contest with the same happy thoughtlessness with which they sing the choruses at the music-halls. It may be replied that the same electors are now busily engaged in reversing, at every political vacancy, almost every decision they made at the general election ; but it does not increase one's respect for a people's judgment to know that it is unstable as well as unintelligent. The judicial observer of popular politics gets the impression of an intoxicated man trying to recover from falling over one side of a plank by rolling over the other. The student of history is compelled by hard facts to be cynically sceptical as to the intellectual balance of the electorate. He has long ago given up any large hope of discovering a people who will give to their political decisions the ordinary care with which they count their money when they cash a postal order. They scarcely ever inquire whether the politicians give them the full value that was promised in return for their votes. The politicians have very cleverly abolished reason from their field of action ; perhaps because they realise that quiet thought would be a danger to the ideals of their political world. So, instead of being a rational debate, a General Election in England more closely resembles a scrimmage at a football match, and

such cries as “Hang the Kaiser,” as serious suggestions for the settlement of Europe, have the intellectual value of the war whoops of a students’ rag.

A problem which has to do with very ordinary human beings—which is, further, discussed on the popular lines of a sports contest—is something very far away indeed from the concerns of Utopia. To discuss such matters in terms of philosophy would be much as if a police magistrate applied the dicta of Kant to the “drunks,” and the ethics of St Thomas Aquinas to the wife-beaters. The first thing the serious politician has to learn on entering politics is to consider the affairs of the vulgar crowd, which is sometimes very vulgar indeed.

We have in this country accepted the democratic principle that the governors are to be chosen by the votes of the majority of the adult citizens. The difficulty of the situation is that it is only occasionally that the aforesaid citizens take any interest in this choice ; and when they do, they generally elect the first political adventurer who is passing by. To put it concisely : this country is in theory ruled by the man of the street—who cannot or will not take the trouble to think ; in practice it is consequently controlled by a small group of politicians, who consider very little else but their own careers and the welfare of their masters, the lords of industry and finance, who pull the wires by which the politicians dance and sing. If that is disputed, read the financial papers and the

companies' balance sheets. The man who does not know that Britain is governed in the interests of the few, bears a remarkable resemblance to the kitten that has not opened its eyes.

That is the problem before the Labour Party : how to make a kitten understand. There is no suggestion here that the ordinary "plain man," as Major C. H. Douglas aptly names him, is a fool in the essentials of life and its problems. He possesses quite a lot of commonsense about the world at large ; indeed, in that department of knowledge he can give the professional philosophers a generous start and pass them long before the post. But by some strange fate—which cannot be analysed here—the plain man has never got any grip on politics and the art of governing great States. To find the best policy for the Labour Party, it is first necessary to realise that it must appeal to a great body of people who have hitherto shown very little intelligent interest in the question. It has, strangely enough, always been hard to get any response to an appeal to the self-interests of the workers. They so persistently vote for their masters in the majority of cases ; otherwise there would be a Labour majority in the House of Commons, instead of a mere fraction. What can the Labour Party do with a crowd of self-sacrificing creatures who will work themselves to exhaustion for the profit of their masters on ordinary days, and vote for the defence of these profiteers on election day ? The situation has many

of the qualities of a comic opera ; but it is hard to discuss it in terms of logic. This inability to defend his political interests, this failure to control the governing machine, is not a passing phase, as a study of history will too clearly prove. The history of the human race has been largely the story of the people submissively bowing to the will of a few. And for the last few hundred years it would almost seem that they have been bowing lower and lower, instead of standing more erect. The people of Chicago, for example, are far more obedient to their magistrates and policemen than ever were the men of the Anglo-Saxon days of Alfred the Great. The history of modern civilisation is, in large part, the story of the tightening of the power of a few governors by means of a rapidly centralising machine of State.

Of course men have turned on their rulers at intervals. But it is rarely that they have succeeded in their revolt. Much of history is the story of the failure of the peoples' efforts to throw off the chains of the governing set. The Romans tried to overturn the monarchy of Rome ; they succeeded, and the city became a republic. What was one of the chief results ? The rich men who controlled the new constitution seized far more of the public lands than the single king had ever touched. Is there anyone innocent enough to believe that the citizens of the United States Republic to-day are as free as were those Englishmen who fled from Charles Stuart to

found that new home of liberty ? Charles never sentenced anyone to life-imprisonment because he objected to his opinions ; indeed, when Strafford talked of absolute rule his neck was promptly severed. There are many Labour leaders in prison in the United States to-day, and democracy is submissive as a sheep-fold ; although there are more serious transgressions against freedom than when the Stuarts made wealthy country gentlemen pay their share of ship-money. The rebellious people have usually come out of their rebellion in a worse pickle than they were in before. Strafford was certainly an overbearing person (although his chief fault in wealthy Puritan eyes was that he tried to protect the peasants against their lords), and it may have been necessary to teach him less insistent manners ; but the main result of the Puritan Rebellion was that it put the Pitts and Grenvilles and a hundred other Whig magnates in the single tyrant's place ; and the people of England were not a penny the better for their two Revolutions of the seventeenth century, but, on the contrary, a great deal worse ; for it is more inconvenient to have a hundred bad governors than one tyrant.

Whatever be the remedy for the political troubles of mankind, one thing at least is certain. It will not be a sudden cure. It has taken the human race many tens of thousands of years to drop unnecessary tails and leave off living in trees : after these countless aeons of progress we are still in such confusion that

(with enough raw material and tools and labour power to rebuild London), we seem almost totally unable to erect the few odd houses that fell into arrears during the Great War. If that is the degree of intelligence after centuries of progressive civilisation, does anyone hope that we would make a rapid jump if we had a revolution next week ? That the hard workers, with so little time for historical reading, should still have hopes of a revolution would be excusable. But it will be observed that it is rarely this class that asks for a violent rebellion. Revolutions have almost always been the work of the more leisured middle and upper classes ; and a little closer inspection will reveal the further fact that so many of these ardent souls were—let us use a frank phrase—“on the make.” Of course, in some cases they have been perfectly sincere ; they only lacked the brain power necessary in order to understand that all the facts of history and human psychology and economics are against them. These gentlemen who advocated blood and violence have often been those who were discontented with their own progress in the governing set ; they wanted more personal power, and hoped that a successful revolutionary wave might wash them higher up the beach. It requires courage to tell the poor that they cannot be saved, except by their own constructive work, and that all the knocking down in the world will not build anything. Revolution is the political adventurers’ last card : that

childish phrase, "the dictatorship of the proletariat," in practice has meant too often the dictatorship of the adventurers. It has made the fame of many strong men ; the only thing it has never won is the salvation of the people. The French Reign of Terror did not make the people of France free : it only made Napoleon an Emperor.

This does not mean that the Labour Party must accept the moderate concessions offered by Liberals and Conservatives. It does not mean that it should not have a very assertive policy violently opposed to almost all that the privileged parties offer. It does not mean that the Labour Party should compromise with any other party at election time. The Labour Party should fight both Radical and Tory every time they show themselves in the electoral field. But it does mean that the working classes must be made to understand that by no political or revolutionary jugglery can they get to their paradise. The work of government, like every other part of human growth, is a process of building-up which cannot be dodged round by the fine phrases of revolutionary orators. There is no short road to freedom, as there is no short cut to knowledge. Of course it is possible to find a Labour road which will be short compared with our present governors' roads, which are deliberately going in the opposite direction. The Labour Party must preach the Class War, thereby meaning an attack on the class that selfishly desires its own good at the

expense of its neighbours—and the definition may put many of the “revolutionary” leaders in the autocrats’ ranks, and put many an aristocrat on the side of the people.

The title of this essay will be taken to mean, and is intended to mean, a policy for the Labour Party as a national parliamentary body. The parliamentary Labour Party maintains that it is the final summing up of the whole Labour movement: and if it did its work properly it would have the right to that position. Indeed, until that claim is justified by success, there will be something radically wrong with the Labour movement; it will be going about in a headless form. So far the Labour Party has not proved its case. The parliamentary group is not leading Labour; it might often be said to arouse rebellion against itself rather than impose discipline; judging from popular comment, one might sometimes believe that the parliamentary Labour leaders will be torn to pieces by their followers, long before they are shot as revolutionaries by the War Office. It would be unfair to cast all the blame for slowness on the men in Parliament; yet, at the same time it is perfectly healthy that the followers outside should be impatient, and even noisy, in their clamorous remarks. Each side has its strong arguments. It is the business of the workers as a whole to say very loudly and clearly what they want—to sum up their ambitions in their fullest form and on their loudest note. It is the

function of the parliamentary Labour Party to express, not the final demand, but to put into concrete and practical form all that is possible for the moment. It is the duty of the crowd outside to express its ideals ; it is the duty of the parliamentary executive to discover how many of those ideals can be accomplished to-morrow or next week ; and the precise shape which the reform should take. The extremists may indulge in the delights of discussing their hopes ; the Labour Party should show its sympathy by reducing those hopes to the evaporated essence of commonsense and cold possibilities.

The main duty of the parliamentary Labour Party is to find a concise plan of reform which it can seriously ask the House of Commons to accept during the next session. It must never put itself in the weak strategical position of discussing Utopia, when the House can quite reasonably reply that it has nothing to do with that land of dreams. The fact is, of course, that the House very rarely is seeking practical reform ; on the contrary, it spends most of its time endeavouring to avoid it. But that gives the Labour Party the opportunity of proving that it is the only practical party in the assembly. When, for example, the Liberals and Tories bring in a Profiteering Bill, which has as much chance of holding up the profiteers as of holding up the traffic in the street, then the Labour Party's business is to make its opponents look ridiculous as idle dreamers and hopeless bunglers. Again,

it may admit quite frankly that Utopia is a long way off ; but it will be perfectly within its duty in declaring, with the utmost decision, that (just to comfort us during the weary days of waiting) it intends to impose a death-duty of twenty shillings in the pound on all property above a very modest sum. That would stop the accumulation of great fortunes—the gravest danger to the State, the root of tyranny.

In short, the Labour Party should be the hard-headed business agent, the family solicitor, as it were, of a very vague, undecided crowd of persons who seem somewhat incapable of managing their own affairs. We have started by trying to face the fact that the ordinary citizen is far from an ideal person as the election agent measures the ideal. He will only occasionally take the trouble to vote ; he generally requires to be carried to the poll ; and the day may even come when an original member of Parliament, on the lookout for popularity, will suggest a Bill instructing the returning officers to carry the ballot box round to the voters' houses, as a milkman takes round the milk. In one way or another the electors might be compelled to vote, but how to make them think is a more difficult problem. The devotion with which the workers maintain their masters' privileges should give great joy to the altruist—it almost proves the complete triumph of the religion of Jesus Christ ; but as a temporary impediment in the way of the Labour Party it is only a cause of alarm. The anxiety may

be shortsighted ; for truly the presence of a mass of unselfish citizens is, in the long run, the surest foundation for the ideal state—but that is a matter of ethical philosophy which cannot be discussed here. As a matter of practice it is the business of the Labour Party to find the right programme of reform, and to preach it in such an attractive and effective manner that a majority of the electors will vote for it.

CHAPTER III

THE GENERAL OUTLINES OF PROPAGANDA

IT might be hastily assumed that the Labour Party, as here understood, is a parliamentary body ; and that, therefore, it necessarily follows that its programme strictly relates only to a legislative policy in the House of Commons. This is far from the position. For the moment, Parliament is in theory the central point in the British constitution ; and, as far ahead as we can see, a legislative assembly will express the final summing up of the national will. But although most great social changes are sooner or later summed up in a legal statute, it by no means holds that a practical political party should consider that its chief work must be in the Houses of Parliament, or that it must inevitably take a legislative form. As a matter of fact, one of the chief duties of the Houses is to control the executive, to watch the administration of the great government departments. This ultimate control over the executive is quite as essentially the work of Parliament as new legislation.

It is naturally the first practical object of the

Labour Party to get a majority in the House of Commons. That in itself at once compels a vast amount of its activity to be amongst the electors outside Parliament. It is therefore the first business of a Labour Party to carry out such an illuminating crusade that the majority of citizens will see that it is not a Labour Party at all, in any narrow sense of that term ; but rather that it represents the welfare of the mass of the people, professional and industrial middle class as well as wage earners, against the antisocial privileges of a small class of bankers, industrial magnates, urban landlords, and the satellites of all these. We must take the English language as we find it, and it may have to be seriously considered whether "Labour" is the best word to express the broad social basis on which the policy of the party stands. It is obvious that "Labour," in its full meaning, covers both the case of the efficient clerk in the Foreign Office and the road sweeper. But, in practice, the general use of the word necessitates endless explanations to the aforesaid clerk and his father (who may be an earl) that if he does his work well he is as much entitled to the protection and services of the Labour Party as a good plumber. Whereas, strangely enough, his hard-working butler might have to be ruled outside the Labour Party's scope, as an entirely unnecessary social phenomenon. There are thousands of middle-class persons who are doing sound services whom it would be the duty of the Labour Party to protect.

There are a dozen vital matters which should come on the Labour Party programme before it lays down a programme for the House of Commons. To make clear their ideas, one of the chief necessities of the Party is a first-class newspaper. What serious steps has it taken to found an efficient daily paper ? - It is nothing short of ignominy that the British Labour movement is still without a newspaper in which it can take the faintest pride. Half the intellect of the community is at its disposal ; it could give the public every day a broad, cultured statement of the news of the world in its properly-balanced proportions. The shrill piping of a crowd of fanatics, however sincere, only renders us ridiculous. Such help is a hindrance. No one can doubt that if the Labour movement asked for a first-class daily newspaper, it could have one to-morrow. It should be the duty of the Labour Party to make this demand one of the first on its programme. If it pays a few plutocrats to supply a partisan press, surely it would repay their opponents a thousandfold. And it would be a million times easier for the latter, for, whereas they have merely to tell the truth, the plutocrats have the far harder work of concealing it. A newspaper would be a daily rallying post. If properly conducted it would be bought by the general public because it was the most brilliant and most reliable journal on the bookstalls ; whereas it is now more usual to buy a Labour paper to show one's goodwill to the cause. It is a pitiable

position if the Party's daily newspaper is subscribed to as one gives to a charity. It should by no means be dominated by the official Labour leaders at Westminster. The Party must have sufficient breadth to trust its case to an editorial staff that is perfectly free to say what it considers right, even when the great magnates of the movement are concerned—the latter having, like everyone else (within space and reason) the right of stating their own case. We want a great Labour paper which will look out on the world with wide-open eyes.

The men who conduct the first real Labour daily paper in England (or anywhere else) will be men of the world—because only such can express that broadest, most generous philosophy of life which will ever emancipate Labour from narrow class control. By a strange fate, the broadest of creeds has been often adopted by the narrowest of people. The whole gist of the Labour creed is that it is good for the greatest number of people in the world ; whereas the present system is only pleasant for a few. The Labour daily should be agreeable reading for that majority, a degree of popularity which can scarcely be said to have been reached by any newspaper produced for our Labour movement so far. Above all, the ideal paper will avoid that unpleasant quality of "preaching" which is so irritating to the normal man ; perhaps because he resents being continually told what he ought to do and what he ought to think ; preferring to hear the

facts, with a human right to use his individual judgment in finding the answer to the problems they raise. The editor of an ideal Labour daily will set out with the intention of producing the best newspaper, that is the paper which will give the most true news. He need merely tell the truth ; let there be an artistic reserve about the deductions therefrom. A great part of the failure of the Labour propaganda has been due to the qualities which it shares with the earnest lay preachers in the chapels.

The foundation of an efficient Labour daily paper will be one of the first non-parliamentary duties of a perfectly-conducted parliamentary Labour Party. It is suggested that its next may well be equally remote from the habits of Westminster—though not so remote as may seem on the surface. The people of England will never be in a position to deal firmly and successfully with the present collection of political schemers and their plutocrat masters, who rule this country, until they know much more about English history than they do at present. All reform is based on the past ; and the average Englishman's knowledge of the past is a negligible fragment of his mental equipment. What he does know of history is usually wrong : for he has read history through the prejudiced eyes of historians who have perhaps honestly tried to tell the truth, but whose minds have absorbed a class view of life which sees the world as the legitimate prey of a small governing set. After all, the History

Chair at Oxford was deliberately founded by the Whig ministers of the Hanoverian Court to maintain their principles of government. The orthodox historians are still, in the main, true to the traditions of their founders. By some method of publication of cheap book or cheap lecture, the Labour Party must arrange that Englishmen shall know the true story of England, and not the myths that fill most of the popular histories. In six half-crown volumes the people could be taught more history than is ever suspected by the pass man at a university.

There is another primary duty of the Labour Party, which will be naturally made easier by a better historical knowledge. With all the art at their disposal, the Labour leaders must pour contemptuous scorn on the governing classes. They deserve it. History is the record of the incapacity of great men. The Labour members have an astonishing quality of respect for their opponents, to which the latter are not entitled. They should treat the Whigs and Tories who perform on the parliamentary stage in much the same spirit of audacious contempt which the clown shows for the policeman in the pantomimes. If the Labour members knew their job, the Cabinet ministers would always find themselves pursued by what corresponds to a red-hot poker in parliamentary circles. And when the clown had finished with them, the harlequin should begin flicking them with his invisible wand until the rest of the House was rocking

with laughter as the children laugh at the play. The tactics of the Labour Party must be to turn the governing set into a public joke. When Mr Bonar Law gets up and tries to bluff the House of Commons into imagining that he and Dublin Castle know how to govern Ireland, the Leader of the Labour Party should rise with the suggestion that the Government might ask the nearest servants' registry office to send round half-a-dozen disengaged kitchen maids from whom to choose a Chief Secretary and a Viceroy : there would be an unanswerable case that whichever young woman was chosen, she could not possibly do the work more unsuccessfully than the gentlemen now engaged ; while she would in all probability do it at a lower salary. We take these pompous governing gentlemen far too seriously ; they have so many of the qualities that make for comic relief, if we only handled them with skill.

Although the address of the Labour Party should be Westminster—indeed, a much more regular address than it often is during debates—yet the country at large should be its chief care. It may well be argued that it is waste of time attending an Assembly where there is a great majority that obstinately rejects all reason and reform, and is controlled solely by self-interest. But if the Labour Party will only play its cards with reasonable skill, nothing should suit its hand better than a House which gives away its stupidity and selfishness at every deal. It has been

long ago said that the House of Commons is the best socialistic platform in existence; and yet only the most modest advantage has so far been taken of its possibilities by the parliamentary Labour members.

Making fun of a pompous, ponderous, and dull enemy is only the negative side of the problem. A case has to be made out against them of a positive kind. It must be a complete case for the world as a whole—not merely for the faddists. It is not sufficient to be satisfied with the rough success of having pleased the majority; the reformer who takes pride in his work will always consider the minority also. It will be a sad blot on the future social paradise if we are made uncomfortable by the sight of dispossessed dukes and out-of-work majors creeping along the gutters, hunting for cigar ends and other reminiscences of their happier days. The day may yet come when a sympathetic Labour leader will bring in a Bill for the relief of dispossessed profiteers and peers (the terms will be interchangeable if we have a few more years of honours lists for the new rich). It will be a very intolerant brand of reform which is content with the crude utilitarian phrase of "the greatest happiness of the greatest number." The Labour Party must get it firmly into the head of the nation that it is the only political body that does not think in classes at all, but only in terms of the community and every individual of it. If it is only

another kind of governing class that is going to climb into dictatorial power it seems scarcely worth while joining it. But there is surely little fear of this selfish policy in the case of the manual working classes—for they have so far devoted themselves to supporting the interests of everybody except themselves.

CHAPTER IV

THE ORGANISATION OF INDUSTRY

THERE are all sorts of ways of helping the wage earner to protect himself against unscrupulous masters ; or against what is still more dangerous, an unscrupulous and stupid system which grinds everyone to pulp with the same thoughtless certainty that a railway train mangles everyone that gets in its way. There are many temporary ways of encouraging reform, but there is only one final remedy : the workers must organise industry themselves, instead of submissively allowing their masters to do it for them. Until they do their own work, by employing themselves, they will be employed by somebody else ; whether their masters be capitalists, bureaucrats, or philanthropic societies. The work of the world must continue—under penalty of starvation and nakedness. If the workers will not organise industry and exchange, the manufacturers and bankers will do this necessary work for them ; and until somebody better comes along, the world at large will not easily be persuaded to turn the old masters

too hastily into the street. And the world will, in a way, be wise.

If the Labour Party imagines that it will solve the serious problem of the class it represents by sitting at Westminster passing laws, then it sadly misinterprets the evidence. The laws are only a means to an end—that end being, in the main, the organisation and control of the material processes of production and exchange. It is clear that the vast bulk of this vital work must be done outside Parliament, and that laws will only have an indirect effect. Wise legislation will be most helpful, even imperative. But both the initiative and the final accomplishment will be in the workshops, and not in the legislative chamber.

It will need considerable candour and honesty for the parliamentary members to tell the electors that Parliament is only of very limited use in the search for reform—that the electors must save themselves. That gospel will seem such a callous denial of all the buoyant hopes that were raised at the time of the election. Coming from the mouth of a politician it will be crying down the value of his own wares. There will, however, be much honest crying down of political wares before the electors get wise and know the truth. If the Labour Party cares to possess the credit of being distinct from all other parties—by telling the truth—then here is its chance. Let it tell the people of this country that the chief public function of a modern community is to organise the

production and distribution of wealth, a work in which Parliament can only very indirectly assist. Nevertheless, without the assistance of the legislative assembly the nation will not be put in the easiest way of doing its work. It is here that the Labour Party may find an important place in the sphere of public life.

It is necessary to find some legal form which will enable the community of workers (including by that term, of course, all the clerical and managerial staff) to supplant the limited group of capitalists as the controlling element in industry and commerce. The factors of the struggle between these two parties (the small capitalist party and the large working party) are becoming clearer. There is an attempt to avoid the issue by pretending that capital, being now capable of existence in one pound shares possessed by lonely widows (and similar economic phenomena), is not the possession of a small class, but is spread over the community in all forms, from joint-stock interests to profit sharing. This is a true statement as far as it goes; but it only regards one side of capital, namely, the right to take interest—a right which is theoretically shared by the millionaire of Park Lane with the retired small grocer living in a Peckham villa. They both draw their dividends. But a far more important thing is not shared, namely, the power to control industry and buy legislation in the last resort. The Park Lane capitalist can do this;

and he can do it so completely that he and a few others now practically rule this country, economically and politically, and sweep off the great bulk of the spoils. Whereas the Peckham capitalist has only a bare living, and little control of anything, except whether he shall spend his few spare pounds of dividends in keeping holiday at Brighton or Blackpool.

The first thing a wise Labour Party will do is to make it clear to the point of certainty that it distinguishes very precisely between the case of the Park Lane magnate and the retired grocer, who are both drawing their income under the same economic theory. Whether the grocer may have rather too many dividends for his retiring allowance, and the manual worker not enough old-age pension, is only a matter of degree. The Labour Party will consider the case of both with equal sympathy. It is necessary to make it clear that the Labour Party programme is broad enough to keep up the present general standard of living for all, except that comparatively small wealthy class that is palpably beyond the limits of any rational ideas. There are few working members of the middle class who would materially suffer by the adoption of a full Labour programme; and those who are now living idly on dividends would quickly be absorbed into the working world—and, incidentally, be relieved from boredom by the necessity of living on less and working more. But the position of the middle class will become clearer when a pro-

gramme for Guild control of industry is stated in general outline.

This programme assumes that (1) in general, there will be no wealth except in return for labour of hand or brain. Further (2), it accepts the fact that the workers demand a full share in the control and management of their trades, and it welcomes this attitude for the obvious reason that the best persons to manage a business are the people who work at it. It will be clear to those who have heard the views of the managing and scientific workers that they are rapidly becoming the helpless tools of their employers ; and that their case for demanding a share in real control is just as urgent as the case of the manual workers. Under the overriding control of the new financial magnates, the scientific workman is being pushed out ; giving place to one who will make more profits even though he makes worse goods. Science is giving place to advertising. The case for the democratic control of industry can be based on the purest commonsense, without needing to bring in the moral question of justice at all. To put an extreme example : it might be necessary to give the workers the management of a mill even though they got no share of the profits, for the simple reason that they alone are intimately acquainted with all the details of their work. It is also recognised (or perhaps it would be more accurate to say, that at last it is beginning to be recognised) that a very highly cen-

tralised system, whether in politics or in industry, must make democratic control impossible ; since centralisation always tends to bureaucracy, which is more anti-democratic than autocracy—of which the history of modern civilisation during the last two hundred years is a conclusive proof.

Out of these accepted factors, a scheme of industrial organisation has lately been advanced which is termed the Guild theory. The name is somewhat of an accident, mainly chosen because of the historical fact that an earlier form of the same general scheme existed under that name during a large part of the mediæval world in particular ; while over the greater part of the world the Guild idea has existed and still exists.¹ In fact the scheme is not a new idea, but is based on some of the most fundamental factors in human nature. The essentials of the Guild have been recognised and practised by practical men throughout the world and throughout the ages. It was not until the modern capitalists arrived on the scene that these elements have, in comparatively recent days, been almost entirely abolished from the bulk of modern industry. The Guild ideas can show a survival of

¹ There is no space here to do more than note the world-wide and time-wide existence of the Guild principles in the agricultural manor, the Russian mir, the Indian village, the African native organisation, the trader of China, the collegia of the Roman Republic and Empire, and the modern professional guilds of law and medicine.

centuries, whereas the new-fangled capitalist plan is showing clear signs of collapse after a far less number of generations.

The essence of the Guild (whether in its earlier or later shape, in its primitive form of a village or agricultural craft, or its complex form of the proposed great Guilds) is the central principle that the industrial or trading units form the most rational basis on which to build a human society; while political and other units are altogether secondary. From which principle it naturally follows that these industrial units should be self-controlled—except with the general qualification that all social units, both individuals and groups, are finally controlled by the greater unit of the State. In other words, the people who are engaged in a trade are the people who should manage it. Now, it may be answered that this is already the case under the capitalist system, where the manufacturers and merchants, or the directors of the various companies, all manage their own businesses. But this is putting an absurd restriction on the meaning of control. Only to count the proprietors in this question of control would be no more sensible than only to look for the organ-blower in the church choir, and forget the organist. The capitalist proprietor in the main represents merely one aspect of the business, namely, the profit making. In that position he is not directly concerned with anything whatsoever except the surplus of sale price over cost

of production. He may have all other kinds of broader interests, but as director or proprietor he has only one—how to get the biggest profits. As an active manager or a director he is in his due proportion one of the working staff. But he is not the whole working staff. So long as the rest of the establishment is without any proportional authority in the management, so long it is incorrect to say that an industry is self-controlled. A factory under the absolute control of one master or one board of directors is no more self-controlled than a nation under a despotic monarch is self-governed.

Self-government in industry, which is the essential practical principle of the Guild idea, means nothing more nor less than what it says ; it is the democratic management of the business by the decision of the whole group. There are, of course, reasonable restrictions to the word “whole.” The most advanced political democrat would not consider it reasonable that the boy and girl of ten should be included in universal suffrage. Likewise, in industrial suffrage, it would not be essentially undemocratic to rule out the raw apprentices as a voting element in deciding the conduct of the trade. The voting democracy is the adult or fully trained body. A medical student would scarcely maintain that he is entitled to a full vote in a medical society. The democratic guild or industrial unit would ultimately depend on the voted decision of every full member, whether manual

worker or scientific expert, engaged in the business. It does not of course follow that every voter will thereby constitute himself managing director, any more than every parliamentary voter constitutes himself Prime Minister. He is not kept from reaching this supreme position merely by the fact that, if he tried that game, most of the other voters might decide to put up for the post also. There is a solid underground of quiet commonsense in the normal human being ; it is that element in his nature which makes the world, on the whole, an orderly community, with only a mere fraction of policemen to keep it straight.

The normal voter in a Guild would not be above mistakes, just as the same man as political voter now makes mistakes. But on the whole the political elector does not vote for the freaks. He often, of course, votes for the rogues and the incapables ; but it is this evil result in political affairs which brings out the essential virtue of the Guild system. In the case of politics, it is so rarely that a voter has any real knowledge either of the candidates or of the political remedies for which they stand. It is a case of the ignorant selecting the unknown. It is not surprising that the result is somewhat unsatisfactory : $0 \times 0 = 0$. But the voter in a Guild, on a matter of internal policy, would be in a very different position. A business in which he works all day is not an unknown factor ; and if the question at issue is the

choice of a member of the Guild for the post of manager or foreman, or some other position of authority, the voter will also have very good grounds for knowing who is the best man for the job. In distinction from the political election, the Guild election will be conducted by people who know, selecting candidates who are known.

For we must recognise that even in the most complete democracy, the part of the people is not to carry out the details of government themselves, but rather to choose the right people who will do the work in the best way. In the ideal State, government may be reduced to a minimum that will make office hunting and bureaucracy a precarious trade. But for the moment at least we are faced with the difficult duty of finding efficient governors, both in politics and in industry, and the disagreeable duty of obeying them when we have chosen them. Keeping to the industrial question, the most impulsive of democrats does not imagine that the details of business can be safely handed over to the direct decision of a majority vote of every member of the staff. It would be rather like compelling a poet to take a vote of his cook and housemaid as to whether his rhythm was effective. In industrial organisation, as in everything else, each man must have his allotted place ; and a few must be chosen and endowed with the power of decision, within due limits. The Guild system will stand or fall as it proves that the democratic vote of

an industrial unit is capable of electing the best men to manage the business. It will depend on the commonsense of the majority in trusting and obeying the men they have chosen as the masters of their crafts. It will be noticed that it is a solution which we have already practically accepted in the political sphere. But it will be replied that if we have accepted it in politics it has not been a success. The people do not choose the best rulers, and we are consequently very badly governed. All which is a very true—even underestimated—statement.

Here we reach the supreme advantage of the Guild system. It will remove a great part of the business of government out of the province of the State and its present politicians, and place it in its more legitimate sphere of industry. Industrial organisation is the main work of society ; and political affairs are only incidental to the work of producing wealth —just as both industry and politics are alike incidental to the supreme work of producing that complex thing, the human mind. There is little about modern politics that is fundamental ; so much of it might be abolished and forgotten to-morrow, and an unobservant nation might not notice the loss. It may be the paradoxical duty of the Labour Party to go to Westminster in order to prove how comparatively unimportant—even how harmful—is the work that is done there. In any case, though the construction of the Guilds will be much helped by wise legislation

(on lines which we will consider in a moment), yet most of the work of organising must be done outside parliamentary circles. The workers must organise themselves by personal effort. There is, indeed, no need to wait for an Act of Parliament. There are plenty of laws to allow them to form Guilds to-day, if they have the will. The man who waits to be compelled by law will probably do the work badly when he is compelled. Surely the workers are not so lacking in energy that they are waiting to be conscripted ?

It is the duty of the Labour Party, which should be the leader of the democratic movement, to din it into the heads of the people that the masters will continue to control the workers until the latter take the trouble to organise industry themselves. It is very heroic to strike and risk starvation and loss of work thereby ; but even when the strikers win, and get the higher wages or the shorter hours they demand (or sometimes merely the replacement of one trade unionist who has been unjustly discharged), when it is all over their masters are still there in control of the factory or mine. The men may be able to dictate certain limited terms when the pressure on them becomes unbearable ; but, in the ordinary day-to-day work, the master remains the master indeed. Besides, there is more than the labour management to be considered where alone the workers ever think of interfering ; there is the commercial side of every

business, which decides the prices and the manner and place of sale. A master may be ruining his business by obvious mismanagement (just as the imperialists and their military friends are ruining this Empire by mismanagement), yet the workers see their employment in danger—and do nothing. Has one ever heard of a strike to compel a firm to learn business methods ?

It is worth considering what would be the effect on the general mass of citizens if at this moment an intelligent group of workers could take over an industrial concern in one of the profiteering trades, and demonstrate, by lower prices and better quality, just how much the profiteer and the incapable manufacturer are costing the nation by their incapacity and selfishness. It would be the most dramatic blow against the Capitalist system which could be dealt. A successful demonstration of the possibility of getting democratic control and public advantage at the same time would put the Labour Party in charge of the Government : but until the workers have thus demonstrated their capacity there will be no trust on the part of the community. When once that proof of capacity is given, the vast majority of the people will be only too glad to see Labour on top and Capital elsewhere ; partly because the average man has a sense of fair-play ; and still more because nine-tenths of the community will fully share in the advance of Labour, and will not be displeased to see the other

tenth reduced to proper rations in the contest of life. But all this depends on action, on material proof. Until Labour shows in pounds, shillings, and pence what it can do in the way of improving the world, so long will the mouthing of fine principles and beautiful ideals fail to impress the normal man. A few centuries of politicians and rhetorical skill have killed simple belief in principles as expounded on political platforms or in political pamphlets. At last the weary electors are asking for something more solid than windy eloquence, whether it comes from Labour or Capitalist mouths. An ounce of material proof would make the fortune of any political party that offered it.

Here is a supreme chance for the Labour Party. At this moment, when the electors would go on their knees to anyone who will give them lower prices and industrial prosperity, let the Party throw its whole energy into organising one successful industrial group dealing with an article of large public necessity. For example, why should not the Trade Unionists (with the help of the Co-operators, perhaps) buy a coal mine. That is well within the collective purse of the workers. If they cannot manage one mine, then there is much to be said for the cry that Labour is unfit to govern. Of course it might be replied that even one mine might easily be a failure, set in the midst of a surrounding capitalist system which is so thoroughly vicious and would be so anxious to see the experiment

end in failure. But if the attempt were made and failed, it is highly probable that the cause of that failure would be revealed by the experiment. If the workers tried, as their own masters, with their own will dominant in everything, both they themselves and the world in general would learn more precisely where the shoe was pinching. After such an experiment, for example, we shall know whether Labour is willing to pay higher salaries and wages to those whom it considers more capable of management than their fellows. It will also be decided by such an experiment, to what extent Labour of its free will is prepared to pay dividends to shareholders (*e.g.* the Wholesale Co-operative Society) who place capital at the disposal of the industry, but do not themselves take any active part in the work. In short, until the workers have experimented with industry under their own control they will not know their own minds themselves, and the world at large will naturally be still more vaguely informed.

There are the Co-operative Societies with vast capital at their disposal if they care to ask for it in the right way. If they really believe in their professed principles, surely it is time that they should make a great experiment in democratic industrial organisation. It is the duty of the Labour Party to back that experiment by helping to throw the whole weight of the political and Trade Union machinery into the same scale. If the world is for the workers,

and not for the Capitalists, let at least one proof be given that it is possible to do without these latter intruders. It must be a full experiment. It is no use trying, once more, those half-and-half measures which have made the bulk of the Co-operative Societies in many ways little different from the capitalists firms. For example, the Wholesale Co-operative Society has not even a profit-sharing system for its workers. The experiment suggested must be based on the "one man one vote" of every full worker in the business, whether it be factory or mine or building yard. The main principle of the distribution of wages and profits must be settled with the general consent; and it must be left to this democratic vote to decide whether a foreman or manager is to get a higher share than the rank and file. The choice of the managers and officers must also be made ultimately by the general body of voting members; though they will be fully entitled to give an elected manager power to make this choice on their behalf. From all one can see, the present sense of the workers will be in favour of rewarding such chosen officers by either a higher wage or a larger share of the profits—though wages and profits will be only another name for the same thing in a democratic industry. It must be remembered that the experiment will be made in a society which at present works for profit. It will be useless basing the experiment on a higher morality which may one day

appear, but has certainly not yet arrived. To ask the average man of to-day to work from a sense of public duty is no more sensible than asking a child to run an Olympic race before it knows how to walk. Weak men now work for reward, and we are not yet certain that reward is an unsocial or unnecessary principle. Let us preach the higher morality by all means, but let us take men and women as they are, when we make experiments to-day. The idealist is one who thinks of the future—the man who ignores the present is a sentimentalist.

The question of payment of interest on borrowed capital will raise the same kind of problem. If the capital is lent from outside sources, then, under present conditions, it naturally will only be obtained by the promise of interest. But if so raised, such interest need only be given at a fixed rate on debenture stock, which would have no further share in the general profits ; neither would the debenture holders, of course, have any voting power in the Guild, in both matters following the ordinary position of capitalist debentures. If the capital were the money of the experimenting Co-operative or Guild Society, or of the individuals concerned, here again it may be presumed that at least the ordinary current return of interest would be demanded by these working investors who found it. If the Guild were compelled to borrow outside capital, it could only be paid off out of its internal resources, which could only be

done by using money which would otherwise have been distributed to the Guild members in wages. These members would naturally consider that, as the shares were bought out of their wages, these shares should be allotted to them—in which case, again, interest might be demanded. If these bought-up shares were retained in the hands of the Guild as a whole, which is the proper course, the transaction would mean, in practice, the cancellation of the capital debt ; and the result would be that from henceforth a larger sum would be available for distribution as higher wages, or for common uses. This is the system contemplated by the new French law of 1917.

This is scarcely the place to argue the problem of interest ; but it is not so clear and easy as some of the emotional extremists imagine. For the moment the position is that probably even the wage-earner will ask for interest if he saves his surplus for investment as capital or plant, instead of spending it on luxuries to-day. It is even possible that in the Guild State it will still be found necessary to encourage the citizens not to spend all their wealth in personal consumption ; but, on the contrary, to put some of it on one side for building up capital resources. It may be replied that no well-managed Guild would distribute its profits until it had deducted all that was necessary for replacing past depreciation and for future development. But it must be remembered

that the Guilds will be under the democratic control of their members; and the weakness of human nature may easily result in sharing the last farthing out in wages. In other words, it may still be necessary to encourage the virtue of abstinence; and the paying of interest on loan capital may long be the method used for that end. There will be all the difference between paying interest on a capitalist's surplus to which he had never any moral right, and the case where interest is paid on a sum of money which a worker has really earned by his labour. Like most other problems in this world, the payment of interest will probably be settled as a matter of practical expediency, and not entirely by the logic of a theory. One thing is clear, no sane Guild will pay interest on money raised from outside lenders if it can get the capital without borrowing. If it raises it from its internal resources, it will be entitled to settle in its own way the terms on which it is raised; whether, in fact, it shall hold back the capital before it shares profits, or whether it shall pay the members of the Guild in proportion as they think it worth while saving in return for interest as a reward. A drastic death-duty would easily prevent share capital accumulating as a charge on a future generation. But that is a subject for the chapter on Finance.

This is the barest outline of the proposal that Labour should endeavour to prove that it can organise industry without the aid of the capitalists'

finance. The immediate point, for the moment, is to find a way in which the Labour Party, as the leader of the Labour world, can assist. The practical construction and management of such a work is clearly the business of the men in the workshops, the trade unionists, the co-operative workers, and the skilled men of the industry concerned. But the Labour Party might make it more possible for the workshop and co-operative element to get to work; if it preached a crusade on these lines, it is quite certain the money could easily be found for all the loan capital required; and by its general propaganda the Party could rouse the Labour organisations to the vital necessity of making this great experiment. But there is another point in which the aid of the parliamentary Labour Party will be almost essential: it must take charge of the necessary legislation that must be passed in order to give the scheme the most favourable position.

It is, of course, possible that the Labour Guild under consideration might be legally registered under the clauses of one of the existing Companies Acts. There is nothing in general law to prevent an ordinary manufacturing company electing its officers by a majority vote of the workers, and therefore submitting itself to the Guild principles of democratic control. Likewise, it is also possible to distribute the profits among the workers in any manner the majority agree; and it is also now possible to limit the interest

on any borrowed capital to a specific sum defined in the company's Articles of Association. But, undoubtedly, there will be difficulty in stretching the Companies Acts (which were for the protection of idle capitalist shareholders) to meet the case of active working shareholders. There will be need in the Guild State for a new code of laws to take the place that is now held by the Companies Acts in the present Capitalist State. It will be the duty of the Labour Party to press this new code through the legislative chambers. This new Guild Company law will be discussed in a separate chapter. Quite apart from new legislation, there will be the even more immediate duty of compelling the various departments of State (such as the Treasury, the Board of Trade, the Labour Ministry, the Ministry of Health) to render every possible assistance to the new scheme of Labour Guilds. By this help the first experiments will probably survive or fail; and that help will not be fully forthcoming until there is a strong Labour Party in the House of Commons.

Before describing the outlines of a Guild Company law, by which the present capitalist system could be reconstructed (without an inconvenient period of chaos) into a democratic system where industry would be administered by the people for the common good, instead of for the benefit of a rich class, as at present, the present writer would refer the reader to the alternative method of transition which has been

worked out by Major C. H. Douglas, and in the editorial columns of the *New Age*. The details of that proposal must be sought in its author's own words in the books and articles which have expounded it with a wealth of acute analysis which may one day have to be recognised as an epoch in economic science and administrative art. Whether the proposed Industrial Credit Banks are the most convenient manner of transition from Capitalism to Democracy is a question which can only be really decided by a practical attempt, which will also be the test of the Guild Company legislation to be suggested in the next chapter of the present book. But Major Douglas and the *New Age* (quite apart from their practical conclusions) have already done a great work in economic research by pointing out the supplanting of the capitalist producers and merchants by the modern development of the still more dominating financiers, who are manipulating the machinery of financial credit as the earlier manufacturing magnates of the Industrial Revolution period manipulated the machinery of physical tools. But the subject must be most carefully examined in the *New Age* and in Major Douglas's two books, *Economic Democracy* and *Credit Power and Democracy*.

CHAPTER V

THE GUILD COMPANY

IF it be agreed that the organisation of industry—not the mere pursuit of polities—is the main work of Labour, and that the Guild is the most convenient form that this organisation can take, it then naturally follows that one of the first works of the Labour Party will be to pass any new legislation that may be required for the building of these Guilds. As already mentioned, there is no absolute need to wait for new laws. The Co-operators have shown that a great deal can be done under the laws we already possess; and quite apart from Co-operation, the Companies' Acts would go a long way to make a legal basis for the Guilds. But both the Co-operative bodies under the Industrial Societies Acts and Guilds registered under the Companies Acts would be clumsy industrial units for the ideal State. So it will be well to draft a new law which will be more precisely drawn for the direct purpose of a Guild.

The Guild Company Law must have three or four main sections, to carry into practice the three or four

main principles which underlie the Guild idea. These will form the basis of the proposed Act, and all else will be merely incidental. Every industrial unit that desired to take the Guild form would be required to conform to the following principles if it wanted the legal protection provided by the Act.

Part I: Self-management by Democratic Control.—The chief practical proposal for the Guild is that it will be a unit which is self-controlled ; it will manage itself in the fullest sense of the term compatible with the general interests of the community as a whole. To enforce this principle of full self-control, every Guild will be required to lay down in its Articles of Association (that is, in its constitution) that every full member of the working staff, whether manual or clerical, or managerial or technical, shall have a vote, and one only, in the general assembly that will control the company. It will be the imposition of one man one vote as the basis of the Guild democracy. It will, of course, be within the power of the Guild members to delegate their authority in any way they please : they may, if they so choose, elect one man as absolute despot, and allow him to manage their company as if he were an old-fashioned capitalist proprietor. If they find that a benevolent despotism makes the Guild more prosperous than a system of direct decision of every question by a popular vote, then probably as worldly men they will prefer to be comfortable under an autocracy rather than unsuccessful under a

democracy. But that must be the free decision of the whole Guild ; and there should be a clause in the Act saying that no decision can bind the Guild against the vote of the next annual meeting, just as at present no decision of the electorate can prevent it deciding in the exactly opposite manner at the next general election. If we mean to give full democratic control, it is far better to do it thoroughly, without pretence or evasion ; and the only way seems to be by making the annual meeting, on the principle of one member one vote, supreme. It would be necessary to modify this, to the extent of allowing a Guild to bind itself by contract for a longer period of years ; for example, it might be convenient to allow it to engage a valuable man for five or ten years. Of course, any contracts which it made with outside bodies or customers would be enforced by the general contract law of the land ; for they would not come within the definition of self-management.

Part II : The limitation of Interest on Capital.—Having protected the full democratic principle of one member one vote, laid down in the first part of the Act, it will then proceed to protect the working members against the excessive exactions of any non-workers, by a clause restricting all interest on loan capital to a defined rate. So far, under the joint-stock company system as registered under the Companies Acts, the shareholders who supply the capital get all the profits after the wages and costs

have been paid. The shareholders are, in the vast majority of cases, non-workers in the company ; with the result that the non-workers often get the best share of the profits. The joint-stock company is a legal basis for the protection of the interests of the non-working shareholders ; while the working members of a company are engaged at so much per week or month, as servants who have no interest in the ultimate profits. It may turn out a gold mine, but the working staff are only interested in how long they can get employment in the digging operations.

This restriction of capital may take several forms. There may be a precise forbidding of any Guild registered under this Act to pay more than say five per cent. on loan capital, thus following the example of the Co-operative Societies. Or it may be allowed to vary the interest within a wider limit ; for example, it might be enacted that interest on loan capital shall be restricted to the standard rate of the day, perhaps gauged by the bank rate or by some other convenient test. But whether confined to a specified sum of say five per cent., or allowed within a higher limit, it will be necessary for the Guild Company's Articles of Association to include this restrictive clause, making the shareholder the man who has a limited interest, leaving all the surplus to the working members. Whereas in the joint-stock company the position is exactly reversed : the workers' interests are restricted to their wages, while the shareholders get all that is left.

Of course, the extremists, who are usually too busy talking to do much thinking, will be deeply shocked by this treacherous proposal to continue to pay interest to capitalist shareholders who do no work. In their haste they will overlook the fact that no Guild will borrow any money from anyone if it can start without raising the capital. The extremist, who is a man of the pure milk of the word, will probably say that it will be better not to begin to control industry until we can do without the capitalist altogether—but it is becoming clear that the chief use of the extremists in the world of industry has probably been to save the capitalists a little longer from their economic fate. By protesting that nothing shall be done until all is done, some of these valiant agitators have driven back the advancing army of Labour that by now might have seized the capitalists' position. It is very right to refuse useless concessions, half measures which are no measures at all. But to refuse to pay interest on loan capital, which at present we may not be able to get in any other way, and the absence of which will prevent a democratic Guild starting work, that is not valiant defence of principles, but rather stupid disregard of our own convenience. If capital likes to advance money to set up Labour as its own master, so much the better for Labour. And if Labour is successful, it will soon have capital under its own control.

The most convenient form for any loan capital to

take will undoubtedly be as debenture stock, which, under the present system, is usually raised at a fixed rate of interest, and is secured by a mortgage on the property of the company. The debenture holder would not be a shareholder, he would not have a vote in the Guild ; he would merely be a man who had lent money on mortgage, with no right of interference except to get his interest and secure his capital. The Guild would have the right to pay him off when his capital was no longer required, on due notice laid down in the Articles of Association. The non-working shareholders would thus all be debenture holders without those rights of interference in the management of the industry which are possessed by the ordinary shareholders of a capitalist company. These capitalist shareholders are the proprietors and masters of the joint-stock companies. They will be, if they are asked to subscribe at all, only in the position of money-lenders to the Guild company ; and, so long as their interest is duly paid, they will have no voice in its concerns whatsoever. It may be necessary to provide for those cases where the capital is advanced by such a body as the Co-operative Wholesale Society or by Trade Unions (if these last are legally empowered to so invest their surplus funds). It may be considered advisable to encourage such friendly assistance by giving a vote to the Society or Trade Unions in proportion to their investment. They would be, strictly speaking, non-working shareholders ; and it

would be necessary to safely guard the inviolable principle of self-control by the working members : still it may be well worth a slight modification of the general law in order to cause easy and rapid co-operation between the Labour societies and the industrial workers employed in the organisation of guilds.

Part III : The limitation of Profits.—In the former two parts we have seen how the proposed Guild Company Act would protect the interests of Labour by giving every worker an equal share in the voting at the general assembly that ultimately governs the Guild ; and, secondly, how the interests of the non-working shareholders, if they are necessary at all, shall be strictly limited. It now remains to consider the third important factor in the industrial world—namely, the community as a whole. This Guild Company Act would give substantial protection to the workers. What concessions are they prepared to make to the Society which grants this protection and assistance ?

It is suggested that in return for such a radical concession as this legal acknowledgment that Labour is the dominant partner in industry (instead of Capital), Labour should offer to submit its prices to a measure of public control. The general community may feel that, in setting the Labour Guilds on their feet, it may be merely changing masters. Will the Labour Guilds be any more restrained from making

undue profits than the capitalist companies ? It is here that Labour can introduce (or rather re-introduce) a vital principle into legislation and social life. It should acknowledge that the great mediæval conception of the Just Price is a necessary part of every civilised community. There is a proper price which a merchant or manufacturer is entitled to charge for his ware, and anything greatly in excess of that proper price is as gross a crime against society as stealing chickens or murdering one's neighbours. Indeed, the crime of profiteering is the most widespread assault on society that one can imagine. It is one of the strange anomalies of the present capitalist regime that this greatest of crimes is practically unknown in our penal code. A man can be punished for committing many less injurious acts ; for this crime, which injures most people, he may easily escape the law altogether.

There will be no profound difficulty in drafting a clause for this proposed Guild Company Act, by which every Guild which asks for the benefits of registering under the Act shall be compelled to submit its price lists to the judgment of a public tribunal. The most likely procedure would seem to be for the Guild to announce its prices, and only if anybody considered them unjust would it be necessary to ask for the decision of the Prices Court. With the possibility of that Court hanging over its head, it is probable that only in a minority of cases would a Guild demand

prices which called for an appeal. This part of the machinery would be fairly simple, and perhaps not much put in action.

But there is a more difficult problem behind this procedure. What is a Just Price? On inspection, perhaps, it is not so obscure as it seems at first sight. Once we can find the cost of production, we shall have gone a long way towards the answer; and the cost of production is a problem that is solved more or less accurately every day in the present routine of industrial life; it is a question for technical experts, for manufacturers and engineers and their managers. But having found the actual cost of production, the next part of the problem must be answered by another class of judges. When we know what it has cost a man or a company or guild to produce an article, then the price they will be entitled to charge to the buying public will be the net cost plus a sum that will give a fair profit to the makers. It is a problem that raises all sorts of abstract and philosophical questions; and the man who alone is fit to arbitrate on the Just Price is the Just Man. Nevertheless, without waiting for the discovery of this ideal of unprejudiced impartiality, a jury of commonsense Englishmen would probably come to a tolerable decision on the subject.

It would probably, in practice, be found in some such way as the following. The industry concerned, acting through its industrial assemblies (*e.g.* its trade union, its joint council of the guilds involved) would

put forward a price which it considered reasonable. The price lists would be put up for public inspection. If no one objected, the list would go before a public body (*e.g.* the elected municipal councils, the county councils) for official registration and sanction. If anyone objected to this registration, there would be an appeal to a Prices Court which would rank in industry with the Appeal Court in Law. This Prices Court might be elected in much the same way that the judges are chosen, that is by the Crown or State—in this case, probably, most conveniently acting through the Board of Trade. It would require to be a Court of the highest character, composed of men beyond suspicions of corruption, drawn from a class that would be capable of weighing the evidence. The suitors would be on one side the guilds or producers concerned, on the other the objecting persons, who might be individuals, but more probably would be public bodies, such as the municipal councils, representing the consumers. It is too early to be dogmatic as to the precise form which this fixing of prices would take, but if it cannot be reached in one way or another, then indeed the professors of political economy must be bankrupt in ideas.¹

¹ It may be noted that this proposed system of public price-fixing will give an admirable and convenient basis for manipulating the price whenever the community determines that any product should be sold below cost, as a relief to the less wealthy members. For example, if it should be decided that milk

By means of such a Guild Company Act, it seems probable that the reconstruction of industry on a juster and sounder basis could be accomplished without any chaotic disturbance of society. For this reason it will probably be attacked by the agitators and extremists who cannot make a position for themselves except in times of anarchy. Revolution is the happy hunting-ground of the adventurers, and any peaceful transition spoils their chance of gain. Of course, many of the extremists are most sincere men who have no desire for selfish gains, whose only failing is that they are emotional creatures who have not

should be sold at a minimum price, once the actual cost of production is known, the State, or even a municipality, can, if it pleases, fix the price below that cost and subsidise the guild by paying the balance out of the revenue or the rates. In some cases—education for example—it is certain that it would be offered to the community free; in other words, the State, or the municipality or county council, would pay the whole cost of production to the teaching guild, allowing the guild a fair profit in proportion to the services rendered. This would be on the same principle as that followed in the case of education and municipal tramways and electric light to-day. But the payment will be arranged in such a way that the revenue of the guilds concerned will sensibly increase with the efficiency with which they do their work. For some way must be discovered by which to overcome the lack of personal endeavour which ruins so many public institutions. Every tramway conductor must feel that it is to his personal advantage that he should encourage travellers to use his car by offering them every courtesy and facility in his power.

enough intellect to think out a practical working scheme. Being unable to draw up a system of order, they are compelled to plunge into a chaos of disorder in the enthusiastic hope that something will emerge from the mess. They have the hope that the confusion will smash the capitalists: they have not enough knowledge of history to know that the main result of revolution has always been to put the adventurers in power and the people lower than ever. The French Revolution got rid of the aristocrats and raised up the plutocrats, who were much worse. The first Stuart Civil War cut off Charles' head and raised the heads of all the merchant princes of London and the gangs of corrupt politicians during the Restoration; while the second Stuart Rebellion of 1688 put the Whig aristocrats into the saddle for a hundred years. If there is anyone who has many hopes from Lenin and Trotsky, he must be an exceedingly optimistic person.

The Guild Company system would give a rational chance of putting Labour on the way to become its own master. It would ward off much unnecessary opposition, because it would benefit the working middle class as well as the manual workers—and the industrial system cannot be conducted without this skilled managing and scientific assistance. Also, many of the more thoughtful capitalists would be willing to take a reasonable fixed interest on their capital under the Guild rather than lose the whole of

it in anarchy. And be it realised, the workers would not necessarily get what the capitalists lost—for by chaos and destruction it is lost to society as a whole. By revolution in Vienna the poor starved with the rich, as the whole of the Russians and the Germans are on very short fare. By the constructive Guild Company system, separate units of industry could get on their feet, as opportunity arose, without waiting for that ideal day when all will be ready to make the perfect State. Rational men know that that day is as mythical as the Day of Judgment. Wise men do not aim at perfection—they aim at the possible.

In this work, as has been shown in other chapters, the Labour world must work hand in hand with the Co-operators who are already on the right road to progress, in so far as they are already organising industry instead of keeping so closely to polities. It will be comparatively easy to convert existing joint-stock companies into Guild Companies ; for there will be no need to turn industry upside down, as would be necessary in organising the Socialist State. The Socialist State, which means the elimination of all competition at one stroke, would need a new moral order before it could work. It is childish to say that, after generations of capitalist coercion, the average worker (manual or middle-class) would at once do his best without any compulsion or incentive to work. Perhaps for generations (perhaps always) we shall need a reasonable competition to get the best out of

everyone. And the Guild system, controlled by legislation enforcing a just price, seems the nearest approach to a practicable scheme that is within reach of the men and women of to-day. It will be a healthy competition, instead of mad licence for personal profit.

It will be seen that this competition that is left between guilds will necessarily take a wholesome form. If there is a standard maximum price, one guild will only be able to beat another guild by producing better goods, or by increasing its profits by improved methods of production. It will therefore be to the self-interests of a guild to get the best managers and scientific experts by offering them a tempting share of the profits, in the form of an attractive salary. The expert classes of this kind will not be wiped out by Labour control, but will be perhaps more fairly treated than under the Capitalist system, which lives by seizing profits from workers and experts alike. The Guild will not have on its back a millionaire or many shareholders who absorb almost everything ; so it will have the more to distribute amongst the many who will assist in improving the business. As there will be no possibility of building up a vast fortune, so there will be little chance of anyone accumulating the great mass of capital which is the basis of monopoly. And as the system takes root, the principle of the just price enforced by law will gradually again become a moral principle ; and it

will be as abnormal for a man to live for greedy profit as it is now abnormal for a man to live by piracy and murder. Once more we find ourselves driven back to the root idea that the laws and practice of society are the expression of moral laws and principles, and that legislation and administration are more the outcome than the cause of the higher morality.

CHAPTER VI

CO-OPERATIVE SOCIETIES

THERE has been a hasty assumption on the part of the politicians and the people who write newspapers that the main body of the army of Labour is in the camp at Westminster, with its numerous detachments in the political world. The matter requires reconsideration. It is possible that even if the Labour Party is, or should be, the main centre of affairs, yet the Co-operative movement has played, is playing, and will increasingly play, a far more important part than has been formally recognised. Its activities are, indeed, much nearer the heart of things than the Labour theorists and the Labour politicians have understood. Co-operation has contributed several important, even vital, ideas to the Labour programme. Still better than ideas, it has contributed many substantial facts. For the sake of brevity they will be here expressed in tabulated form with the barest amount of explanation. There is a vast literature of its own on Co-operation ; all that is here attempted is to show how it must be linked up with the general Labour

movement. The chief contributions of Co-operation to the workers' cause are the following :—

I. Co-operation has built up a vast organisation in industry and trade—both in the production of goods and in the distribution of them by retail sale—thereby teaching the workers that there is something else besides politics to be considered. This great fact is the heart of the Co-operative work. If the Labour party has concerned itself with the distribution of wealth, the Co-operators have set themselves the still more elementary duty of producing it as well as distributing it. They have realised that perhaps the best way of preventing the capitalists taking too much profit is for Labour to do its production itself. To a large extent the newer Guild movement is the development of that principle in a more scientific form.

II. Co-operation has taught Labour that this work of production can be done without the aid of Capitalists ; and that it can be done with a surprisingly small amount of Capital. It has shown that the necessary capital can be collected in small amounts from a large number of small people. Perhaps still more suggestive, it has demonstrated that men can be found in the Labour world who are possessed of the expert skill of the captains of industry type, without, however, demanding to be paid by the gift of a great fortune as their reward. In other words, the Co-operative movement has shown that Labour can pro-

duce the capital and also the men to manage it. As a matter of fact, a large proportion of the captains of industry have come directly from the Labour ranks ; but since they worked for great profits for themselves—instead of for a Co-operative society with only a small salary as their personal share—these captains are merely deserters from Labour who have gone over to the other side for higher pay. The Co-operative movement has proved that a man can be a great organiser without being also a great profiteer.

III. Co-operation has done all its work without the assistance of much special legislation. It has taken the Capitalist legal code as it found it, and has fought it on equal terms. It has proved that much can be done without waiting for new laws. The modest Industrial Societies Act, enabling small capitalists to protect themselves when they combine with their fellows, is almost all that Co-operation has got from the Capitalists' Parliament.

IV. By its insistence on the value of local self-help, acting through decentralised small retail stores which depend on the personal initiative of the small man, Co-operation has given a great object lesson in the virtue of the small personal organisation ; as against the initiative from above by means of a centralised bureaucracy. The Co-operative Wholesale Societies play a vital part in the movement, but it is played with a masterly appreciation of the fact that all will break down if the personal initiative of the local minds is

weakened. The central officers of the Co-operators have preserved unity and organisation without passing that sacred border line which would have taken them into the region of heavy dull autocracy, which is the beginning of slavery of mind and sapping of effort.

V. By its clever idea of customers' "dividends" Co-operation has found a very useful way of automatically distributing profits to all the shareholders in distributive trade. It is, in fact, a method of profit sharing which, so far as it goes, has solved many difficult economic problems; and, if extended to production as well as distribution, may solve many more. For example, if adopted by a productive society or guild, in which the basis would be the wages of the workers instead of the purchases of the customers, we have here an exceedingly simple method of distributing the profits, on the basis of merit, over the whole staff.

VI. By strictly limiting the interest paid on the capital of non-working shareholders, Co-operation has drawn a clear line between the two classes of Labour and Capital; and by this method the two can be handled as the practical possibilities of the moment permit. For example, having once laid it down that Capital is only entitled to a limited share (instead of its unlimited interest under the present system), it will be only a matter of every-day practice to decide whether it is necessary to pay Capital as much as five per cent., or whether it is necessary to raise any

outside loan capital at all. It is, however, well to note that if the Co-operators had taken the heroic line of the extremists, and had refused to pay any interest whatsoever, then it is possible that they would not yet have been able to start the Co-operative system. But we are beginning to realise that the World has never been led to sanity by emotional orators ; and sensible people are at least calmly asking themselves whether, even in the ideal State, it may be necessary to persuade people not to spend all the money in their pockets on the enjoyments of to-day, by offering them a modest interest on their money if they will put it into capital which will increase the products of the future.

Such are the main contributions of the Co-operators to the theory and facts of the Labour cause. But we must remember that they started out with the assertion that they had found the key to the economic universe and that their idea would lead quickly to the Co-operative Commonwealth. That hope has not been realised, and the reason is that so far there have been grave faults as well as great virtues in the Co-operative movement. These faults may be concisely tabulated in the following way :—

I. The Co-operative Societies still think of their employees as servants who receive wages, and have not any particular distinction from the workers of a capitalist company. There is profit-sharing on a small scale in some of the Co-operative Productive Societies, but the English Co-operative Wholesale

Society, the giant of them, has abolished it. Its capital is subscribed by the independent retail purchasing stores ; which, as shareholders, receive the profits in proportion to their purchases, following thereby the usual Co-operative principle. It is, in fact, a distribution of profits to the shareholders as purchasers. The producing workers merely get their wages and salaries. Co-operation as a principle stops short of including the working staff in the common partnership. It is a most serious fault, indeed a vital one from the point of view of general social reform.

II. This radical defect is mainly the outcome of a deeper error, which may be better expressed by itself. The average Co-operative Society has many lofty ideals in theory ; but in practice it too often becomes a commercial attempt to get goods as cheaply as possible. One factor of cheap goods is, of course, cheap labour : it has been the very root of the Capitalists' system. So the Co-operators in their necessity to compete with capitalist production have accepted its standard of wages, and the subjection of the wage earner to the mere economic requirements of the business. It is not altogether an unfair charge to say that the co-operator's chief love is his "divy," that proportion of the profits paid as a dividend on his purchases. Let us not be too hasty in condemning ; for it is this same desire for material results that led the co-operator to take the wise direction of

material factories and stores instead of going to the oratory shop at Westminster.

III. There is the same error in another form when the Co-operators have failed to link themselves enthusiastically with the Labour Party. Taken as a whole, the Co-operative Societies are genuine labour-class institutions. It is all the greater the error that they have failed to work as a united movement with the political Labour Party. Still more disappointing is it that the Trade Unions have not worked hand and glove with the Co-operators. There has been of late a change in this matter ; the three main sections of the Labour army are beginning to approach each other with plans for a united campaign. But this idea is only in its infancy.

Such are the merits and faults of the Co-operative Movement considered as a part of the general Labour position. If they are accepted as a true statement of the system, it is clear that it must be regarded as a most powerful ally, if not the dominant partner of the Labour Movement. The Co-operators have at least made a start in the vital work of organising industry in the hands of the wage-earning classes, instead of leaving it in the hands of the capitalists. Every day it is becoming more certain that this is the heart of the problem, while the political Labour Party can only clear the way for that industrial organisation by passing such laws as may be necessary. But if political Labour wants the industrial Co-operators,

certainly the Co-operators have everything to gain by an active alliance with Labour.

The stumbling block in the way of an alliance is the fact, already mentioned, that the Co-operative Societies do not seem to treat their waged employees more generously than do the Capitalists. There is a way out of this difficulty, if the Co-operative Societies would adopt some such organisation and principles as are contained in the Guild idea. There is nothing incompatible between the two ; they rather complete each other ; and united action with the Trade Unionists is essential to the full success of either. It should be one of the main works of the Labour Party, as already suggested in another chapter, to bring these different elements into the line of mutual support.

The work of the Co-operative Societies in such a combination is clear. They have the capital (to a large extent) and the experience which (with Trade Union funds to support them, and Labour Party propaganda to collect men and money and appropriate legislation) will enable them to re-organise English industry on Co-operative-Guild lines. The Labour Party should preach the advantages of spreading the Co-operative store throughout town and country ; and advise every trade unionist to make it his shop if it will supply him with satisfactory goods. To have the working class as a whole dependent for its everyday necessities of life on a vast distributing system which

was conducted by itself, in its own interests, and independent of capitalist support, would be both an object lesson for Labour and a firm material base in event of attack. Let there be no unnecessary antagonism of the small shopkeeper in this development. Let it be a principle of social ethics to make every endeavour to incorporate the existing shops in the Co-operative stores: let the shop and stock and goodwill be paid for at a decent business price; and if possible let the owner be made a manager in the employment of the society.

But the retail distribution is only the secondary part of the business of industry. Why should not the Labour Party, the Trade Unionists, and the Co-operative Wholesale Societies of England and Scotland seriously begin the work of organising production in the hands of the labouring classes, without waiting for any further political or legislative developments? With determination the Labour Party at Westminster could soon get the few legal modifications required. In another chapter a proposed Guild Company Act has been sketched. It is well within the power and the ability of the Co-operative Wholesale Society, backed by the Labour Party and the Trade Unionists, to organise such labour groups in all the suitable trades. For example, building is ripe for becoming a Guild monopoly: for the Government has shown itself incapable of getting houses erected; and the master builders have shown themselves

callous to any claims but their own, and so hampered by mad competition between themselves, that the man in the street (in a very real sense indeed, being without a roof for his head) is ready to support any system which will produce him a home. Here is a chance for Labour to show its value and capacity. If the Labour Party would only throw its whole weight into this work, the capital required to get the Building Guilds on their feet all over the country could be found in the spare shillings of the weekly-wage earners. A shilling each from six million organised workers would bring three hundred thousand pounds. The Co-operative Wholesale Society could find the material and supply the general control of finance and central management. It would only require one successful scheme carried through to completion with economy and speed ; then the whole trade would be in the hands of the Building Guilds. With such a success behind them the Co-operative Wholesale Society could raise as much capital as was needed. It is a very different matter when the Government asks for Housing Loans at 6 per cent. ; for there is no sign that our rulers, either central or municipal, can supply houses even if they get the money. The centre of the problem is Labour power ; and Labour thoroughly distrusts its ruling class. Under the proposed scheme Labour and Capital (its own) would be partners, not opponents ; and the work would be done.

It is important to note here that the invaluable Co-operative principle of local effort and local control would save this scheme from the vicious danger of bureaucracy. The central body (the C.W.S.) supplying the material and finance (so far as it was needed) and the general uniformity of effort, would yet leave in the hands of each local guild the responsibility for personal effort ; just as the retail local Co-operative society is its own master of success or failure. It is here that the Co-operators become such a powerful ally of the Labour movement ; they have specialised on practical trade and industry, while the Labour politicians have gone into the more abstract affairs of propaganda and legislation. But on this more abstract side we find the value of the support that the Labour politicians can give to the idea under discussion. They can bring the Trade Unionists, who will do the work, into touch with the Co-operators, who will supply the capacity for organising and financing the scheme.

In short, the Co-operative Societies, wholesale and retail, productive and distributive, have erected the skeleton of a vast industrial system which, with the alliance of political and Trade Unionist Labour, could reorganise the industries and trades of this country on a Labour basis, expressed in some such form as the Guild Companies. It has already been shown that this is not a narrow manual-workers idea, for it will consider and protect the interests of the non-

manual-working classes. There is ample room in the Guild system for every efficient manager and technical expert. There is room for everyone except those who do not want to do a fair day's work for a fair day's pay.

CHAPTER VII

NATIONAL PROPERTY AND ADMINISTRATION

EVEN if it be agreed that the Guild or Co-operative system be the most convenient method for the organisation of the bulk of industry and trade, and the various departments are handed over to the care of their respective units, it will still be found that there are certain parts of public affairs which are not suitable for such control. There are not as many of these exceptional cases as may be imagined. For example, many people might hastily decide that Education is a purely national affair which could not be left to a Guild. This is probably an error. There is no department of social life which it is so necessary to keep out of the hands of a deadening and centralised State bureaucracy as the very delicate matter of Education: nowhere is there more advantage to be gained from the varied results which can only come from many individual experiments which are free from a central uniform control. There is no one wise enough to select the entirely correct method of educating that subtle organism, the human mind, in

the best way. As there will be many advantages from the healthy competition of distinct industrial Guilds, so it seems that there will be a gain from the competition of individual educational Guilds that are free to develop on different lines. For example, Oxford and Cambridge and the other universities which still retain a great deal of their mediæval guild form should be preserved as individual self-governing units, without more than a minimum of interference by the national State. Then, each county might organise its lower education under the control of the county educational staff, which could easily take a complete guild form. They might receive State grants as at present ; but, within the terms of a minimum standard of efficiency, they should be even freer from the control of Whitehall than they are at present. They should be local guilds, rather than local units of a national Education Guild with central offices in the capital. In a multitude of experimenters there may be discovered the higher wisdom.

But there are a few departments of public business where the problems are not so delicate, and where the national interest, as a whole, overrides the local individuality. For example, so long as we are so barbarous as to need an Army and Navy, they must be national institutions. An intelligent Labour Party will concentrate its energy in preaching disarmament to every Labour Party in the world until a common

agreement wipes this social waste off the business books of civilisation. It will need very slight logical powers to show conclusively that War has almost always been the self-interested trade of a self-interested class of war profiteers, whether they were feudal knights or Iron and Steel Rings, or financial gamblers. This last great War has disclosed the final proofs. It may be added that the matter of civil police is most assuredly a local service, and the endeavour to turn them into a centralised State force must be resisted with the most determined energy by everyone who has any respect for democratic liberty.

The cases of railways and transit generally, and the matter of the ownership of land, including minerals, are not so obvious, and they will be discussed in outline in this chapter, as examples of national business which may need special treatment. They are very closely connected, it will be observed, with the special department of public revenue and finance.

The Ownership of Land.—There is much vague thinking on the subject of the nationalisation of land—as there is much vague thinking on most public problems. There is confusion of thought which imagines that the land could not be nationalised without at the same time turning the farmer into a State servant, and the Englishman's dwelling-place into a State lodging-house. As a matter of fact, the full claims of the community could fairly easily be

secured by the State without bringing any vast immediate upheaval in the present system, in the sense of dislodging the occupiers, whether freeholders or occupiers, either rural or urban. In the eyes of the law, all land is already held of the Crown, that is, of the Nation. Even the freeholder is only an occupier with the Crown as the supreme landlord. The just claims of the nation could be taken by a proper adjustment of the terms of the agreement ; which, in practice, would be expressed by the imposition of taxes, which would be merely rent under another name. All taxation is, at basis, only the expression of the theory that all wealth is really held of the State, for which a rent must be paid. To tax a poor man's bread at too high a rent, and to let an urban landlord off too lightly, is merely a matter of bad taxation. The error might be readjusted more conveniently by changing the taxes than by seizing all the land or nationalising the bakeries. Sooner or later, when all men are perfect, there may be no such thing as private property ; it may be one day considered as indecent to claim the earth or the crops as private property as it would even now be considered selfish to claim a private right to own the sunlight or the west wind.

But to decide suddenly to turn all Britain into a State farm, or even to set up a vast office in London to collect all rents, would be a gigantic operation which might end in much book-keeping and very small practical results. It may be found better to

proceed by a gradual process of taxation until the fair rent of land is taken by the public revenue ; leaving the present holders to remain in occupation, with even a certain latitude to pass on the higher tax by increased rents or higher produce prices. In other words, this method of procedure would avoid a chaotic change, not because it did not desire to find a quick remedy, but because the real remedy, the constructive rebuilding of our land system, cannot be done by one great sweep. The real problem of the land, so far as the agricultural side is concerned, is to find more efficient ways of organising agricultural labour, by better co-operation, and by more skilled scientific methods. But all that side of the problem will necessarily come under the organisation of industry ; in this case, the development of Agricultural Guilds and Co-operative Societies. And that is work which cannot be effected by sweeping Acts of Parliament ; it can only be done by hard persistent work.

But there is one definite reform which must be made without delay, and it can be done quickly. The whole of the land of Great Britain must be valued as it is at present ; and all future unearned increments must go into the national or municipal purse. The man who holds land which has a monopoly value, in the sense that its value increases without any effort of his own, possesses something to which he is not entitled. A man who sends up the value of a farm by increasing its production has a good case for claiming part at least

of that increase. But the urban landlords whose rents go up just because people have to live within an easy distance of a certain centre, have no case whatsoever. They must be stopped at once by some drastic measure which will enable all future increases to be absorbed by the State, leaving their present value to be dealt with as the community decides to do in the case of all wealth : for the landlord must not be dealt with more harshly than the rest of those who have more wealth than they deserve. But this future unearned increase of rent must be cut off in the same way that drastic death-duties must cut off excessive wealth from future owners. But this is a problem for the revenue officers ; the death-duties alone may do some of the work. Of course a popular vote may decide to confiscate all wealth over a certain figure : any drastic legislation of that kind will probably be more showy than anything else. A general sudden confiscation will cause such chaos that decrease of production and provision for the untrained rich and their useless, unproductive satellites, will probably absorb a great deal of the confiscated wealth ; and there would not be much to share round in increased wages or capital. Chaos would get more of the spoils than the poor ever touched.

It looks as though the only way is to discreetly absorb by taxation as much as possible of the more excessive wealth, leaving the main body to be taken over as the Guild system gradually transfers control

and profits from the non-working shareholders to the working guildsmen. There should be passed, however, a law laying down the general principles on which the community may always be entitled to buy any particular piece of land, or any factory or house, which forms a necessary part of any public development. That is, this law would erect easy and rapid machinery for valuation, and settle the increase, if any, that would be granted as compensation for any compulsion exercised. It would be, in short, a Compulsory Purchase Act, applying to land and everything else of a monopolist nature which cannot be left under the control of stubborn owners standing in the public way. This is not a new suggestion : much of the legislation and machinery already exists ; it only wants collecting into an easily-used standard form. This machinery will help us to make the real work of nationalisation of land (or anything else), that is, the organisation of production, as rapid a process as possible. We will never really nationalise the land by passing laws on the subject ; we can only seize the value of land by developing its wealth, by growing crops on it, by building houses on it. It is by *use* that the nation will nationalise it—not by merely possessing its title-deeds in a national safe.

Coal.—A great deal of the above argument applies to the problem of the coal mines. What is going to happen to the present owners comes under the general decisions which the electors make on the question of

confiscation. Confiscation cannot in justice be applied to royalty owners if it is not also applied to the shareholders of railway companies and the holders of consols and war loan. But that is really a small part of the matter. The problem is not theoretical squabbling as to whom the mines belong ; the great thing is to discover who can work them most economically, that is, who can give us the largest amount of the cheapest coal. That is the real matter at stake when we discuss the nationalisation of coal.

Of course it is silly to allow men who did not make coal mines to seize royalties on the output ; but no more stupid than allowing shareholders to draw dividends from railways which they did not make. But the royalty is a small fraction of the price of coal : if it is knocked off to-morrow, the ordinary housewife will scarcely notice that it has gone. It is the organisation of the digging that controls the price ; and that is only a repetition of the general problem whether a guild or company of working miners could produce cheaper coal, and more of it, than a company controlled by shareholders who often have not been down a coal pit in their lives. But even if it is decided that a guild will do the work more successfully than a shareholders' or coal owners' company, the guild members will have to pay to the nation a rent ; for if the Duke of Northumberland did not make the coal mines, neither did the guildsmen. So the national interest in the collectively-owned coal mines must be

paid by the guild in the form of a rent, or collected as a share in the price paid by the consumer. The problem is merely how best to collect for the State that value in the coal which it does not owe to any individual's or group of individuals' labour. The mining guild must be paid for its labour of digging ; the whole community must retain the value of the coal itself. That is the problem of the nationalisation of the coal mines. It seems fairly clear that this national share can be most conveniently collected by a rent in royalties paid to the State instead of to the private landowners. Whether these owners are to be compensated or not, cannot be discussed in an isolated manner ; it must be decided with all those other cases where private wealth is to be transferred into guild or collective wealth. It should not be confused with the question whether a guild or a private company can dig coal more efficiently.

As to the method in which coal-mining can be converted into the public or semi-public form of the guilds, the suggested answer can be found in the earlier chapters on that subject. There is nothing peculiar to coal, so far as the general principles go. But in detail it may be pointed out that although coal-mining will always remain one of the large industries (as against, for example, the small industry of repairing boots), yet it does not necessarily follow that there should only be one national Coal Guild covering the whole of the fields. There are many dangers in large

organisations, such as the peril of a great central office of control becoming a tyranny of bureaucrats instead of a management of coal-mining experts. If the Guild principles are to be maintained, the management must be elected by the democracy of the guild, and entrusted to practical miners ; and probably neither of the principles would survive in a highly-centralised national Coal Guild. There are several natural smaller units in the coal industry. The South Wales mines are distinct from the Northumberland mines and from the Scotch mines—not only distinct in the geographical sense, but also with different problems of technical working. These areas might well be developed by separate guilds. There would be a great convenience in having joint meetings ; there would be a joint annual assembly, and perhaps a joint consultative board and staff. But it might be better to make the central organ merely an advisory body without compulsory powers to bind any local guild without its consent.

All the coal-fields would be bound to the nation by the bond of their rent which was paid to the State ; and likewise by the power of the community to fix standard price of the coal sold by the guilds. It naturally may cost more to dig coal from one pit than from another less easily worked ; and this difference might as well be arranged directly with the local guild concerned ; though it is not suggested that there should be a separate guild for every pit. They

will be grouped in areas which will generally be found to have common natural features to give them unity of interests and management. The test to apply is what area will give the greatest advantage for co-operation working, with the least disadvantage from centralised control.

Railways and Transport.—Railways and the means of transport in general almost stand as a distinctive department of public business. They are perhaps the matters which will least fit into the normal guild form. It would be a rash thing to set rival guilds of motor buses competing for the traffic of the roads. The dust and noise and danger might cause confusion. It would not improve the peacefulness of life to incite aeroplane guild-companies to find a way out. While, of course, half a dozen competing railway lines to Brighton would probably only persuade everyone to go somewhere else. There is no virtue in competition as an inciting influence if it does not produce better results than monopoly. Principles are of small importance—results are everything in matters of this kind. But most people are persuaded that transit—except perhaps bath-chairs and scooters—must be a monopoly, whether it be public or private ; and there are not many human beings with regard for popular convenience who now believe that this monopoly can be in private hands.

Probably the most convenient way of organising transport of goods and passengers would be to have a

standing Transport Committee in the House of Commons, with the special business of continually collecting the opinion, and especially the complaints, of the ordinary man in the street, or in this case it should be expressed as the man on the rail and in the car. There will probably have to be a concession to the old-fashioned State Socialist in this case ; there will be a central Transit Board, as a national department of State, with an alarmingly big office in White-hall. But it will not have autocratic powers over every part of the country. For example, the municipalities will still control their tramways and buses, and the streets on which they run. The municipal unit will be a very sacred thing in the eyes of a government which respects liberties ; and its borders will not lightly be invaded by a central authority, just as the monarchs of the Mediæval period hesitated to encroach on the independence of their chartered towns. As for rural transport, such as light railways and electric tramways, these will be a fit subject for the decision of the county councils which the Labour Party will do well to assist until they become really active popular organs with wide powers of initiative and independent work ; touched as gently as possible with the overriding hand of the State officers, representing the community. There will probably be joint transit committees of the municipalities and the counties to do the necessary linking up of town and country.

But the railways and canals and great roads are not

local in their uses ; the whole point of them is a national exchange of passengers and goods. So they will naturally be considered as State services. It appears that the railway and other officials, managers and workers, will have to be paid a direct State salary as the soldiers and sailors are paid (so long as we have to waste money on such). But this standard wage may be compatible with considerable self-management. It would be possible to hand over the technical working of the railways to the staff almost on Guild lines. They might be given a personal interest in the work by offering them a proportion of the receipts after the standard wages and the total working expenses had been covered. The staff would be ordered to run a certain number of trains at fares fixed by the State department, acting under the control of the representative Parliament. But, within those instructions, the railway staff could go about its business in the way it considered most effective and economical, inspired by the knowledge that they would have their fair share of the results of their organising skill. It would be a case of profit-sharing, where the rest of the profits went to the State instead of to private capitalists and shareholders. The reason for maintaining this somewhat old-fashioned system, instead of the more complete Guild form, would be that transport is a subject where the interests of the whole community are so dominant that they must override the more immediate interests of the men who work that service. It is one of those

borderline cases which cannot be logically fitted within any theoretical principles of government. In return for this concession to national convenience, the nation must see that the terms of the railwaymen's contract are such that will maintain them at a high standard of life.

There is another side to the problem of transit. It will be found that fares and goods rates are a most convenient basis for general taxation. Without interfering with the above scheme of management, it would be a very simple thing for a Chancellor of the Exchequer to add a penny in the shilling, or whatever sum was necessary, to all the fares and goods rates. The trading prosperity of a guild company or the private wealth of an individual passenger would be very fairly expressed by the sums paid to the transport authorities. The collection of this national revenue would be automatic with the minimum of expense. Such a transport tax might be made (together with a land tax collected on rents) one of the main means by which the individual citizen will bear his share of the communal expenses in fair proportion to his abilities and gains. The full significance of this will be discussed in the chapter on Finance and Revenue.

CHAPTER VIII

FINANCE AND REVENUE

THE possibility of drastic social reform by means of conjuring tricks with finance has been much over-estimated. There is a vague notion, for example, that by raising the Income Tax to twenty shillings in the pound on all undue wealth, the danger of the plutocrats could be eliminated from the national life. There are others who think that land monopoly could be broken by a "Single Tax," whereupon the career of capacity would henceforth be open to everyone; with the certainty that the best worker would get all, and the idle landlord would get nothing. Now it is not denied that beneficial results, up to a point, may follow from both the above financial methods as an immediate reform. But it is denied that they are of any but trivial interest. They may indeed help to break up the present system of control of Society by monopolists; the point to grasp is that they are almost purely destructive, and scarcely help on the constructive side of the problem. They may help us to dislodge the old system. They seem to

offer no direct help towards building the new—unless, indeed, the housebreaker is regarded as laying the foundations of the building that is to take the place of the one he is destroying. Financial reform is rarely fundamental reform ; it does little more than move about the figures which it finds on the social board. It does not very much concern itself with structural changes ; it plays about with the results it finds at hand.

Take the case of the tax which figures so prominently in most plans of Radical social reform—the Income Tax. During the period of reconstruction, while the workers are taking over the management and financial interests of the capitalist industrial and commercial companies, it will be wise of the Labour Party to obtain for the community a fairer share of the existing national wealth by imposing a heavy tax on the higher incomes. Up to, say, £500 per year with certain exceptions, there should be total exemption ; an easy rate up to £1000 a year ; and then a stiff rise until no one would find it possible to keep much over £10,000 a year. Probably no one is worth that latter amount to the community—except a few philosophers and artists who teach us to think and feel, and a few music-hall artists who teach us to laugh. But until we have organised the workers in guilds, as suggested in a previous chapter, or in some other co-operative manner, it will be dangerous to crush out the more reasonable and more honest

private capitalists. For the very common-sense reason that if one is going to put in a new shop front it is better to leave the old supports standing until the new are ready to carry the weight. At the present moment industry and commerce are working under the competitive system, based on the inducement that is offered to private individuals to make profits. It is a thoroughly bad plan, no doubt; but if an energetic reform swept away the whole inducement, by means of a violent Income Tax, there might be a sudden collapse, before the reconstruction scheme was ready to do the work. A net income of £10,000 or so a year is surely sufficient to tempt a man to produce wealth; anything beyond would clearly be a subsidy to his greed rather than his industry.

So a graduated Income Tax, as a temporary expedient, might be the first step on Labour's financial programme. But it should be clearly recognised as only temporary. The single-taxers truly say that it is absurd to tax a man for his energy in producing wealth, and ridiculous to allow the idle landlord to sit down with folded hands while his urban rents are rising without a movement from him. Now it would not take long to plan a scheme by which all land shall belong to the State. If compensation to the present owners is paid, it will be on its present value. The result would be that by to-morrow the State would have in its possession the naturally increasing rents which have hitherto gone into the pockets of the private owners. Even regarding this automatic

increase (arising from the fact that the increase of population means that more people want land to cultivate and more land on which to build houses and workshops), we here seem to have a source of income which might become the main revenue of the State. It would have the great advantage that it would need very little trouble to collect, it being merely the increase in the rents. There would not be the present ridiculous worry in filling up complicated income tax papers which scarcely anyone can understand; and there would not be the same possibility of evasion.

But beyond this automatic increase of rents, it would be possible to make the rent paid by the community take the place of the income tax in the State. A need for more taxes might then simply be met by an increase in the rental. Roughly speaking, one's house is a fair measure of one's proportional wealth—at least it is as good a measure as most possessions. The duke, as things are for the moment, usually lives in a larger house than his stableman; and, so long as our system stands on this basis, a graduated system could easily be erected that would meet the principles of equity as well as most forms of taxation. The suggestion is that the rating assessment on land and houses might be made the basis of a national rate, which would eventually sweep away hopelessly complicated income tax. Such a system is already adopted as the basis of municipal finance. In this latter case, once the rent is fixed, and the

outgoings for repairs agreed, then the municipal rate is only a matter of assessing on the rent the number of shillings in the pound required to meet the municipal budget. The simplicity of the whole thing would be worth many counteracting disadvantages, and it might meet the wishes of the land tax enthusiasts and the land nationalisers at the same time. In the natural course of present affairs it would distribute itself, of course, over the whole community ; in the same way that all taxation inevitably, under a competitive system, tends to distribute itself ; and it will need a lot more skill to control this shifting of the burden than any chancellors have yet devoted to the problem.

It will be observed that the essence of this land taxation scheme could be carried out, if so desired, without touching the question of nationalisation at all. The land could be left in private hands ; and still the rent could be taken as a basis of a general national tax or rate, just as the rent is now taken as a basis of the municipal rate ; the amount required would be raised by demanding and collecting so many pennies on the pound. But it is obvious that it would soon be found better to face the problem frankly and nationalise the land outright. The general tax on land cannot be made sufficiently flexible so long as the landlord is left in control ; for the taxing authority (namely, the State) should also be the landlord who can modify the current rent proportionately. The problem of land nationalisation

is not strictly financial, and it has been dealt with in the separate chapter dealing with national property. But the financial scheme suggested above holds good whether the title deeds are in the safes of a National Land Department, or in the deed-box of the private landlord, that is, whether the land is nationalised or privately owned as it is to-day. It is put forward to meet the case of a temporary tax to meet current expenditure, and as the best way of getting the present system ready for a successful change over to a better one.

We here come across a conclusive hint that the problem of equalising wealth will never be solved by any financial conjuring tricks and sleight of hand by Chancellors of the Exchequer. Wealth distribution must be controlled at its source, where it is made—and not collected back again after it has once been carelessly allowed to get into the wrong hands. Hence the importance attached to the organisation of industry by the democratically controlled Guilds. In these the workers will distribute the produced wealth on an equitable plan ; and will not allow it to be seized and then clumsily regained by a large income tax. We thereby put taxation, as a useful instrument of reform, in its true place. It may be effective as a temporary expedient to collect back again what should never have escaped ; but the real solution is to make distribution just in the first instance.

The possibilities of the death duty have not yet been fully realised. It is probable that we have here

a method by which it will be possible to correct most of the inequalities to which a frank and desirable freedom may allow too easy a scope. For example, it would be safe to induce a man to put by a reasonable part of his income for investment as capital, and pay him interest thereon, if it were so arranged that he could not make such capital savings into a perpetual charge on the community. A death duty which absorbed all individual wealth over, say, £20,000, would make the tyrannical capitalist an impossibility ; and it would have the effect of placing at the disposal of the whole society the capital wealth which it had considered it wise to place temporarily in the hands of an individual in order to encourage him to make a special effort. The drastic death duty would have the effect of continually redistributing wealth, on the just and sound economic principle that the results of individual effort are, after all, mainly due to the support of the whole social body, which is entitled to take back what is its own. We can safely encourage the individual to do his necessary part in wealth production if we can regain the larger communal share in an early future. By a fairly easy income tax, for example, individual effort can be encouraged, and then, by a drastic death duty, the results can be recovered when that effort has been accomplished. It is probable that this financial measure would alone make capitalism very difficult, and would hit it harder than an income tax ; a death duty cannot be

evaded except by voluntary distribution during life—for it seizes the capital at its root, while the income tax allows it still to remain in the capitalists' hands, with all its possibilities of manipulating prices and wages to cover itself against the tax.

Of course there will be several important taxes besides the Death Duty and the Income Tax, or the Land Tax which it is suggested should take its place. For there is another side to taxation as well as the collection of revenue. It is useful as a manner of controlling the life of the citizens, and pushing them in one direction instead of another. Thus, consider the taxation of alcohol. Even the most enthusiastic advocates of the Wet State will admit that there are degrees of dampness which produce physical and mental rheumatism. There is a limit to the useful absorption of alcohol; and it is a boundary line which a great many people can easily pass without a conscious thought. Most people will admit that a tax on alcohol is not only a well-distributed levy which is conveniently collected from the community, but that it is also a most legitimate occasion for discreetly leading the people in the way they should go. Prohibition is radically wrong; coercion is almost always radically wrong. But, worse than that, it is also generally useless; and the experience of prohibition nations is that it does not produce the result desired. But it is quite another matter making a man pay far more for his alcohol by a tax on it, as we already

do. It will merely make him weigh the advantages and disadvantages more carefully. And the general tendency of medical science at the moment is to suggest more and more hesitation and less and less alcohol. Here we come to one of the incidental uses of the Budget—to promote the decisions of modern science, whenever it is wise—which is by no means always ; for had we obeyed all the dicta of the orthodox scientists and political economists and their historical colleagues, we might be now entirely beyond repairs as a nation and as individuals.

Another instance of a similar kind is the taxation of motor cars. It is quite possible that if everyone could scour the country in untaxed cars, there would be quite an unnecessary number of them. There is the still more obvious case of tobacco. Both are forms of wealth which can be legitimately termed luxuries, which it is not only fair to tax, but also, to a certain extent, to diminish. The Budget should first collect revenue, when convenient, from things that come under this phrase “luxury.” It may be defined as anything which is not entirely wholesome if carried beyond a limit which is frequently passed. Bread is unwholesome if eaten beyond a limit, but, then, that limit is not frequently passed. A luxury is something which in excess is morally or physically injurious, and therefore it is well to encourage the citizens to diminish their use of it ; and that discouragement can be effected by raising the price by taxation.

The ideal tax is one which is collected with ease,

and falls with equal justice. Such requirements are fairly well met by receipt stamps on bills and revenue stamps on legal documents. If levied on an *ad valorem* sliding scale they would be roughly proportional to the financial dealings of the men who paid them; and being easily procured and easily affixed, they require no expensive central department to administrate them. This system might be expanded to any extent; and if an ordinary receipt stamp were a substantial amount of say one penny in the pound (instead of the present fixed rate for all values over £2), then it would become a fairly convenient manner of taxation which could be increased in an emergency without providing any new machinery, and on this suggested scale it would meet a very substantial part of the nation's financial needs. As pointed out, it would be a very equitable tax in proportion to one's income; for if imposed on the buyer it would be proportionate to the amount of money he spent; though, of course, under present competitive conditions it would be passed on to the seller in due time. But that is only another hint that the deep problem of society cannot be solved by taxation. The attack on monopoly must be at the productive source, and not at the taxing end.

Once we have dismissed financial scheming as a satisfactory or possible way of reforming the troubles of the social system, then it is reduced to its proper place in the reformers' programme. It becomes the

problem of raising the necessary national revenue in as simple a form as possible. If we try to discover one or two simple taxes, such as on land and house rents, or receipt stamps (beyond the luxury taxes which are also and mainly imposed for ulterior reasons), then we shall probably have found a simple system which only needs a process of multiplication to raise each year the national revenue we require. If a receipt stamp is one penny in the pound this year, it may be made twopence next, if a wise government wants to pull down all the slums, or a criminal or foolish government wants to go to war. Likewise there can be, as suggested above, a penny or a shilling added to the tax on rent. This increase would be distributed over the whole community in increased prices of bread and coal which are articles of common use, so the tax would be paid by all. While the income tax and the death duties would sweep off the unfair large fortunes, so long as we are stupid enough to allow them ever to get into private hands. But, as it cannot too often be repeated, the remedy for this evil is to take care that no one is able to make these large incomes with their resulting large accumulations of capital. The cure for great incomes is not to pay them ; it is silly to pay and then try to get them back by taxation—that is merely locking the stable door when the horse has been stolen. The way to democratic distribution of wealth is by democratically controlled production and commerce—not by frantic attempts on taxation.

CHAPTER IX

GENERAL POLITICS

THE Labour Party and the Co-operative Societies have only too good reason to remember that they are not living in a united and ideal world ; they know, therefore, that if they are thrown by political fate into office as a Labour Government there will be many decisions they will have to make which will not in any direct sense come under the definition of a Labour programme. There would still be the constitution of the British Empire ; the problem of Ireland ; International affairs and the League of Nations ; the House of Lords ; the constitution or machinery of the House of Commons ; besides all those matters of social detail, such as the Marriage Laws, the Liquor Trade, and the dozens of subtle decisions which are the basis of our complex human lives. The first thing the Labour Government would find would be that it had to govern a nation of very varied beings and not merely a large trade union branch. Labour is merely the basis of material life, not its complex flowering. There are essential, great principles of life, which

underlie the whole Labour theory which should undoubtedly be carried over into all the decisions of a Labour Government, but it will be necessary to answer questions of a special kind to which Labour economics will give no direct answer ; questions which a Labour Minister will have to consider as a man of a very wide world.

Ireland.—Having just finished a great war on behalf of small nations, so our statesmen told us, a Labour Ministry will not be so muddle-headed or hypocritical as to stand these principles on their head when they are faced by the problem of Ireland. If there was any justice in the claim of Belgium (a nation of very mixed races indeed) to govern itself as a united people, free from foreign interference ; there is much more logic in the case of Ireland (a fairly pure racial unit) to govern itself as the majority of its people desire. If men like the Belfast leaders were English sportsmen instead of English politicians they would be ashamed of crushing their opponents by force of superior arms and heavier purses ; they would scorn to play an eleven who had one hand tied behind their back. England has prided itself on being a race of sportsmen ; in Ireland they have behaved like the sixth-form bully of the school. Better educated men than the rich politicians at Westminster, with a knowledge of elementary history and human psychology, realise that a free Ireland would be an invaluable ally and not a military weakness to

the island of Great Britain. But our politicians are ill-educated and narrow-minded men. When a gentleman and a scholar like George Wyndham tried to teach them better they lost their heads with alarm, as inferiors are always ill at ease in the presence of their superiors. When a statesman like Sir Horace Plunkett talks logic to them, they understand him as little as if he were a philosopher talking to a Hottentot. But at least the Hottentot would listen with dignity ; whereas these English politicians only rush about all the more with bombs and machine guns. No man with any moral or physical courage is afraid of a free Ireland. He will agree with Thomas Moore that

“ . . . blest for ever is she who relied
On Erin’s honour and Erin’s pride.”

and whatever he thinks, he will be too proud to play the bully. Ireland would probably be content with the freedom of Canada or the Australian colonies, within the Empire, if it were offered with frankness as one gentleman negotiates with another. But if a free republican constitution is demanded and granted, there are not a dozen far-seeing persons who doubt that within a few years Ireland would be bound to England by firmer ties of alliance than these two have yet been bound in all their madly mis-governed history. While the object lesson to the peoples of Europe would do more for the removal of contempt of England’s hypocrisy than any act in its

history, and thus would be removed much of the distrust and antagonism of the rival nations ; and with this would go most of the excuses for war. The settlement of Ireland as a contented nation would be a substantial part of the foundation for international peace. In short, the only sane Labour Policy for Ireland is to give it the most complete freedom of self-determination. It was a conquered Ireland, not a free one, that was one of our grave handicaps during this recent war. The peace of Europe must not be endangered because Sir Edward Carson and his friends see fit to cling to England as a whining child clings to the petticoats of its nurse. They are in no danger in Ireland if they behave themselves properly.

The British Empire.—The problem of the Empire has much the same basis as the problem of Ireland. The colonial units must be free to make their own decisions ; and we have kept them within the Empire by granting that freedom, as we will probably keep Ireland, unless we allow the bullies to control our policy much longer. But the question of colonial independence has already been settled in practice. There is a deeper problem behind the Empire. To what extent is it a sound policy for England, and how far is it right as a point of international ethics, to endeavour to support a great Empire which might hold an unfair share in the wealth and power of the world ? If an Empire makes us strong, it also makes us envied ; it is a source of weakness in the moral

world, if it is a source of strength in the physical one. But the fact has been accomplished ; the Empire has been built ; it is rather useless professing piety in our old imperial age. We have made our colonies practically independent States. No one can imagine a responsible statesman trying to compel Canada or Australia to fight our battles unless they wished. We would probably have to employ force to turn them out of the Empire. All we can do is to decide that Englishmen have got their fair share of the Earth's surface, and that this policy of grabbing other lands must stop. For instance, we should have left Mesopotamia to the Arabs, and have asked the French and the Italians to leave other parts of Asia Minor to the natives who were in possession. All further conquest of the world must be by methods of peaceful penetration which will be on equal terms to all properly behaved persons. Force as a factor in politics must be sternly ruled out of human life. It may seem cool cheek of the English preaching the gospel of anti-imperialism and anti-militarism (seeing how much we have gained by it), but we must endeavour to do so sincerely and consistently. We can yet withdraw from Mesopotamia ; we can offer to withdraw our imperial hand from Egypt if other nations will give us reasonable guarantee that the freedom of the Suez Canal shall not be infringed. We can do all this, and yet be somewhat sceptical whether the people who are clamouring for Egypt for the Egyptians will rule

that country half as well as we are doing. Probably Lord Kitchener and Lord Cromer did more wise things in Egypt than any Turkish or Egyptian governor ever did. Yet there is a sound rule of life that everyone must take the responsibility for managing his own affairs, and the leading-strings system carried too far only saps mental vitality. Probably the same remarks apply to India. Keen Socialist administrators from India have told the present writer that if the middle class "nationalists" get the control in the government they demand, it will not be many years before the simple peasants of India will be asking Englishmen to save them from a rule which is much less just and democratic in results than the English autocracy. But, here again, India must be given responsibility as the only way of learning to be free. There is also, both in Egypt and India, the problem whether we Europeans, for all our modern learning and science, are really building a higher civilisation than the systems of the East. It seems a rash thought to believe that a Lancashire factory town or a Northumberland coal pit is a higher kind of existence than an Indian village community. Let not the West be too puffed up because it has longer rows of figures in its export and import lists. That may only be an ideal world for shopkeepers, not for philosophers.

Constitutional Reform.—There are one or two matters of constitutional law which a Labour Government must settle, if only to prevent people wasting

their time over matters that do not much matter. The subject of the House of Lords should be ignored as long as possible, for the peers cannot block for long any legislation which the people really want, even as things stand at present. Besides, the peers (except a few of the plutocratic creations) are probably far more statesmanlike and less selfish than the representatives of trade and industry in the Lower House. One would rather trust democracy and England to the Lords than to the Commons as they are to-day. Sooner or later we shall come to a Second House of life members who are chosen for their expert knowledge in the various departments of human affairs. There will be men to represent Painting, Architecture, Music, Science, Law, Agriculture, Industry, Internationalism, and so on. It will be necessary to find some better ways of selecting them than the ballot box, for then we would only get all the orators and intriguers (as we get too often in the Commons) all over again, instead of getting the thinkers and doers, as we would desire. Perhaps the old manner of nomination by the Crown is as good a way as any, for that would mean by the advice of the responsible Ministry of the day, which is all we can do in a democratic State. Then peers would be thus honoured for distinguished services to their community, instead of for the amount of wealth they had seized from the community, which is the real reason to-day. But nothing will make a useful Second

Chamber of advisers except a healthy nation which has enough wisdom to see that it gets them. No system can safeguard us against a stupid people.

The reforming of the House of Commons is a much more pressing matter—for the present House is a greater danger to democracy than the Upper Chamber. The average member of the Commons is still a man on the make—whereas the majority of the peers have been made for at least several generations, and have forgotten the objectionable tricks and habits by which rising men live from morning to night. The older families of peers have developed a certain sense of personal and national dignity, and a regard for the decencies of human life. They have become content with five per cent. as rent out of their farms. But the men on the make are schemers for twenty per cent. ; they are the men who made a hundred per cent. out of war contracts. The most successful of them have, of course (ever since William Pitt's day) bought themselves into the House of Lords. But the House of Commons still represents them more completely ; it is the representative chamber of wealth. It may seem strange that this is so when we remember that we have now a franchise which is not far from adult suffrage. It is still stranger when one knows that the most extended franchise lists that England has ever had, returned in 1918 the most anti-democratic House of Commons in English history. It seems that there is no urgent democratic need to waste much

time on the franchise laws. Still, the Labour Government will probably be wise in compelling the whole people to take the responsibility for their own stupid voting, and once for all put the franchise on a complete adult male and female basis with a short period of registration. Perhaps its chief advantage will be that this will compel the people to see that it is their own stupidity alone that produces bad government by the election of bad governors. If they make their own beds they will know who is to blame if they are uncomfortable resting places. History has taught us that a wide franchise is not an infallible foundation for a free people. The United States of America have long had most of the mechanical machinery of political freedom ; and the practical result has been that this great Republic is controlled as in a vice by a small gang of trust owners and political bosses. Still, Britain must be made to face the danger and its consequences. When it has all the political democratic machinery that mind of political schemers can devise, then the sooner will the people learn that the responsibility is theirs alone ; and also the sooner will they learn that the way to liberty is not mainly along political roads at all.

There is one constitutional reform which would probably be of greater value to democracy than the fickle franchise. If we could only break up the Party System it would be of real and immediate value. So long as the Party machines control us, we shall be badly and corruptly governed by narrow, self-in-

tered classes. If we take the trouble to elect a House of Commons, let us see that it governs. Let the Government be the executive servant of the House, and not merely its obedient slave as it is to-day. There is no reason why the House should not choose the members of the Cabinet by open vote ; each selected individually on his own merits for a particular post. Each would continue to hold that post during the duration of the Parliament, unless the House saw fit to show its disapproval by rejecting any vital measure for which he was responsible as head of his department. The whole Cabinet would not fall with him as a matter of constitutional course : thus each question could be debated solely on its merits, and the members would be free to vote as they thought fit, without having to face the responsibility of turning out the whole Cabinet because they did not like one particular clause of one of its Bills. At present, the Cabinet can threaten the House that if it rejects any important clause of a Government Bill the whole Parliament may be dissolved and they will all have the trouble of fighting for their seats over again. The result is sheer tyranny by the Cabinet. They can put a pistol at the head of the House : "your support to everything we command, or out you go to your constituents." Is it much wonder that poor human nature—and it is usually very poor indeed in the circle of politicians—cannot resist the threat ? If every member of the Cabinet

were elected by the House and stood or fell on the merits of his Bills, then the threats of the Party cliques would be harmless things. For if the gifts of office were in the hands of the House and not of the political intriguers, then the Prime Minister and his colleagues would be the servants and not the tyrants of the Constitution. This comparatively simple reform would probably do more to make our political life wholesome and efficient than any other change whatsoever.

Protection and Free Trade.—When industry and trade are no longer the social functions in the hands of a comparatively few masters who are mainly concerned with their personal profits, the age-long controversy between Protection and Free Trade will not disappear ; but it will take a very different form from the class struggle which has hitherto dominated it. In the mediæval period the protection of wool had a certain national significance, for the prosperity of all England was then to a large extent bound up with its only vital export. But as the years passed we find that even such a matter lost its national basis, and gradually became a problem of whether the landlords as producers should be allowed to override the peasants as the consumers of corn. Hence the troubles of the enclosures of the Tudor period. During the fourteenth and fifteenth centuries, Protection versus Free Trade had already begun as a struggle between producers against consumers, but, compared with its later development, it was still a struggle between wide

classes rather than a fight between the poor consumer and the rich capitalist. By the beginning of the Hanoverian period, as the result of the two Stuart Rebellions of the seventeenth century, the capitalist merchants and landlords were firmly in the saddle of power; and Protection henceforth meant mainly the protection of the rich man against the poor. The monopoly of the East India Company meant the attempt of a small gang of city merchants to seize the spoils of India; it was protection in its most extreme form against rival traders. The Pitts and their kind kept themselves in power by building up an Empire for the good of English traders. It is, however, necessary to note that, by this solution of conquering an empire abroad, they, to a certain extent, avoided the other method of saving the traders by protective duties at home. It was only when there were no more worlds to conquer that the rich men have begun to clamour for a revival of tariff at home as a protection against a world-wide commerce which is no longer in English hands. If the world at large will not pay our merchants high prices, it is necessary to make us at home pay them by high tariffs which will be a wall against cheaper goods.

But it is only stubborn narrow-mindedness which refuses to acknowledge that there is (and always has been to a certain extent) a wider national and communal aspect of the Protection problem. Take the great struggle for Free Corn fought out with Disraeli and Peel as leaders in the forties of last century.

Disraeli was convinced (and the facts of history were the basis of his reasoning) that England's gain in wealth by the development of capitalist industry had been paid for by the degrading poverty and the miserable lives of the working class. He saw that the poor had become the helpless victims of the factory system. There had been a time when the peasant had been the basis of our national life. No one would claim that he had all that was just or necessary to a human being; but no one, on the other hand, could deny that his was a more rational basis for a nation than the stark insanity of the industrial system as it existed in the first half of the nineteenth century. Disraeli believed that it would be better to pay more for our corn, rather than all England should become a vast factory as seemed imminent if the wheatfields were no longer an economic possibility in competition with foreign imports grown on virgin soil. He desired to preserve our agriculture, even if his remedy injured the factory system. To encourage capitalist development to him meant the aiding of social corruption.

Now, it is quite possible that not only a Tory member of Parliament, but an extreme Labour Party, may decide that certain trades and industries are a necessary part of a fully healthy community. It may, for example, be agreed that the more Englishmen work in cornfields, and the fewer work in coal pits, the better it will be for our nation. It may be decided that it is better to live a simpler life in the country

than a more complex one in a Lancashire industrial town. In short, cheap goods are not the final test of national prosperity : there are dozens of moral and æsthetic problems at stake as well as the economic one of quantity and price. Even a nation which has abolished capitalists' wealth may decide that a section of a community may be granted a monopoly which will allow it to gain more than what it would be entitled to in a free trade market. If, for example, there is no other way of saving English wheat-fields and orchards except by protective duties against foreign supplies, then the rest of Englishmen may be ready to pay the price in dearer bread.

In general, the tariff may prove to be the easier way in which the nation can decide which trades ought to be encouraged and which destroyed. It may be a good thing to make cotton goods for the world at large (often for black men who are better without them), and to supply coal to the world for a high price ; but a thoughtful nation may, on the contrary, prefer to be more quietly happy in its own life, rather than noisily successful in the market-places of the earth. It will be purely a matter of convenience and national welfare ; and a tariff will then have nothing to do with the desire of one trade to consider its selfish interests at the expense of anybody or everybody.

But there is still another aspect of protective duties. The struggle for international trade has been the main source of war. A Labour Party which has

a mellow sense of justice and unselfishness, will not lay itself open to a charge that it is legislating for its own nation at the unfair expense of another people. There will probably never be disarmament until nations cease to take unfair advantage in trade—the root of war, of which patriotism is usually only a shallow excuse. If there are to be protective duties, the only way to avoid jealousy is to levy those duties against every other nation if they are raised against one. The ideal of a friendly world is clearly Free Trade, and let the best man win. But it is not an ideal world, and, in fact, under free competition it is usually the worst man who has won. Anyhow, to make it entirely clear that we are not manipulating our tariff for the sake of intriguing in the sphere of international trade and international alliance, we must either be Free Trade to all the world, or Protective against all. Bargaining for tariff concessions, and the failure to get them, are the most fruitful sources of war. No nation has an excuse for a tariff except as self-defence ; it must never be aggressive. Just as the wealth of England belongs to Englishmen in one sense ; so, still more broadly, the wealth of the whole world belongs to all its inhabitants. A nation, like the workers of a single trade, has the right to maintain its interests at trade union standards, as it were : it has no right to make itself a monopolist, as the present capitalist masters of the nation are trying to assert a monopoly of wealth.

CHAPTER X

AN ELECTION ADDRESS BY THE ELECTORS TO THEIR CANDIDATE

DEAR PARLIAMENTARY CANDIDATE—At the very beginning of this address you will notice a departure from the usual routine in these affairs. It has been hitherto customary for the Parliamentary candidates to write to the electors, telling them what they propose to do when they arrive at Westminster. After careful consideration, we have decided that there is something radically wrong in this procedure. It has suddenly dawned on us that the theory of the British Constitution maintains that you should represent our views and carry out our instructions. Whereas the practice of British political history has been that the representative has generally dictated his opinions to the electors, and pressed his own interests in the House of Commons when he arrived there. This may be a hasty and unkind judgment on our part; nevertheless, to avoid all danger of misunderstanding, we are going to write the Election Address ourselves, so as to make it as clear as possible what we expect you to do if we

choose you as our Parliamentary member. It is only one of those little feathers which shows how the wind is blowing toward a more democratic Utopia where electors will be even more important than M.P.'s, and where liberty will be even more respected than Cabinet Ministers.

We must apologise for sending you to Westminster on such a disagreeable errand as reforming the Government of England. But somebody has got to do the dirty work of the world. Have not those clever people who spend their lives in clean schools of political economy (and never get near anything dirtier than red ink) always warned us of this unhappy necessity ? And they are quite right ; the dirty work has to be faced courageously and unselfishly. And the dirtiest work of all is the unpleasant job of cleaning out the political sewers of Westminster. The inhabitants of that great national assembly—in moments of excited enthusiasm—describe it as the seat of the Government of the British Empire. If that be so, then it is a matter for wonder that the Empire has not long ago died of all the plagues in the social dictionary ; for the moral and intellectual drains of our political life are in a condition to spread infection to anyone who comes within touch of them. It is your errand to start the process of cleaning. It is the work of the Co-operators and Trade Unionists outside to do most of the constructive work. You can only help to clear a path for them.

If you talk too much—above all, if you make speeches about your lofty ideals—then we shall probably not elect you. We have tried so many splendid orators; and, after many heartrending experiences, we have come to the conclusion that clever platform speakers are usually rogues. We don't want a representative who will make the Empire ring with his pretty words; we want someone who will talk very little and work a great deal. We want you to propose a rule for the House of Commons that will limit all speeches to ten minutes—except in the case of Cabinet Ministers, for whom five minutes would be amply sufficient. If you really think that speaking is your strong point, then we don't want you as our member—we suggest that you would be more at home as an auctioneer. We would rather you should sell houses than sell us—as the other orators have done.

The first thing we want you to do when you get in Parliament—whither we intend to send you, if we find you are really incapable of making a speech—is to assert the dignity of the House of Commons. You must find some way of stopping the present absurd system by which a small group of gentlemen with glib tongues or heavy purses force themselves on the House as its Cabinet Ministers. The Prime Minister should be chosen by the Commons; likewise every member of the Cabinet should be chosen by a separate vote of the House, for the express purpose of conducting a particular department of State. This system of

parliamentary election will have its disadvantages, of course, like all systems in this imperfect world. But at least it will be a more scientific way of choosing ministers than the present happy-go-lucky manner of selection by the gentlemen who provide the Party-Funds—with their wives and aunts as arbitrators in case of dispute. Politics will always be in the hands of intriguers until the House of Commons takes the trouble to choose its chief ministers by open vote—and intrigue will die very hard even then.

Then you must stop the childish habit of allowing yourselves to be frightened out of your wits by a threat of a General Election if you will not vote as the Government tells you. It is for the House to decide when there is to be another election. If the Prime Minister and his friends do not agree with the House, let them resign. From what we have seen of ministers of State so far in the history of England, it has almost always been for the good of the nation that they should resign. Indeed, every encouragement should always be given to politicians who want to resign. The House would thereupon proceed to elect someone else who had its confidence.

The Commons should be elected for a specified number of years, and there should not be any General Election before that period expired—except by direct vote of the assembly itself; or by a referendum of the whole people under exceptional circumstances. In short, we want a system which will choose all ministers

of State by the direct votes of the Commons, each one being chosen on his merits for a definite post ; and each of these ministers will hold his post until the Parliament expires, or he resigns, or the House orders him to vacate his position. There will be no need for the Home Secretary to resign just because the Foreign Secretary is defeated on the subject of our policy in the Near East. This present silly system is only maintained in order to barricade the Government against democratic attacks. It is a system which encourages and assists the autocratic ministers to stand firmly as a solid mass against the people's will. If all fall together, then all must stand together ; so they support each other, whether right or wrong. The House will be free to vote for every subject on its merits when, at the most, only the fate of the particular minister concerned is at stake ; and if every member of the Commons were free to vote as he pleased, then we should soon know how many of them were honest and wise men. The Party System, with all its intrigue and corruption, would be blown sky-high.

Having introduced a sensible procedure into the House of Commons—instead of the present ridiculous system, which seems more suited for the patients' Amusements Committee in a lunatic asylum—we will now give you instructions as to how to use your powers. We don't expect you to solve the problems of the Universe in a few days, or years even ; but we do expect you to make a very clear beginning.

Under that admirable ten-minutes speeches rule you will have so little time to talk, and such a lot of time to work and vote. Don't imagine, however, that you are going to save us by increasing the number of Acts of Parliament per session. We want quality, not quantity.

Do not pass legislation which will stand the world on its head, and merely produce a pain in that important part of our system. We don't want revolution and chaos ; we want cheaper food, cheaper books, cheaper clothes, cheaper theatres, and the hundred other things that make life a civilised institution, instead of a dog fight. There are light-headed people who love talking so much that they have never any time to read history, and they imagine that they can get these desirable things by building barricades and burning houses, and all the other paradoxical parlour tricks of the "hot-stuff" revolutionary. These excitable ladies and gentlemen imagine that the French Revolution was a triumph of Democracy. They are not sufficiently well educated to understand that it was the Emperor Napoleon and the army contractors and speculators who won the French Revolution, and not the poor half-mad Marats and Robespierres. If you show the least trace of this middle-class hysteria about revolution, we tell you frankly you will not be elected. Rather than be represented by a human gasometer, we'll offer the post to the first respectable, hard-working charwoman who will risk losing her character by going into the House of Commons. She, at least will not

waste our time by trying to build a better nation out of fire and brimstone. She, at least, will know that the only people who score by revolutions are the adventurers.

So pass laws that will make the transition to Utopia as peaceful, but as quick, as possible. Push through a new Guild Company Act which will help to organise production under the ownership and control of workers, and not under idle shareholders. It is the Co-operators and the Trade Unionists outside Parliament who alone can put that law into operation—that is beyond your scope. But you can help this movement in a dozen indirect ways. You can see that the Parliamentary Chiefs of the State departments are doing all they can to assist by grants and regulations, instead of trying to obstruct. You will see that the Government departments are allowed to work for the good of the people, and are not compelled by their political superiors to protect the interests of the profiteers. You must spend most of your day in pulling these intriguing gentlemen to pieces before the eyes of the whole nation. The first man with courage and skill who gets into Parliament will have the time of his life in making the present governing set look ridiculous, and worse. Make it one of your chief endeavours in the House to make the Capitalist members look as contemptible as they are. Don't be rude to them; do what is far more damaging, tell the truth about them and their companies and profits. Nothing is so awful as the ungarnished truth.

One of the very first things you must do when you get to the House of Commons is to pass a real Anti-profiteering Act, we mean a law that will really prevent a few thousand selfish persons making huge fortunes out of the needs of the community. The present profiteering laws, of course, are only intended to hit the small shopkeepers, who have enough trouble as it is to make two ends meet. The big men escape, which is only right of course, seeing that they have themselves placed the Government in office as their servants. There is only one way of stopping excess profits: find out the actual cost of production of every article, and then pass an Act fixing a maximum price. This legislation is involved in the Guild Company Law; but it may be necessary for a time to have a special Act to deal with cases beyond the scope of the Guilds. If you are in a particularly just mood when the penalty clause for profiteering comes up for discussion, you may feel inclined to make it a matter for hanging, drawing and quartering. No decent-minded person will blame you, and it would be delightful to see the magnates of the Rings with nooses round their necks. Still we want you to avoid all violent methods. Don't waste a minute on revenge—however sweet. Revenge without constructive improvement will be poor satisfaction next morning. A well-drafted Maximum Prices Act, with machinery really capable of finding out the actual cost of production, would do wonders in clearing up the mess of

modern commercial life. The people who are interested in keeping things as they are bluff us into believing that nothing can be done to change human nature hurriedly. It is very true—but a great deal can be done towards reducing the banking accounts of the few thousand social house-breakers who are causing half the mischief. We are quite content to be patient with dear old human nature; but then these money-grubbers are not human.

Get Ireland settled as quickly as possible, if for no other reason than as one way of showing what consummate asses our rulers have been making of themselves for the last few hundred years. Besides, we have some natural pride, and we do not like to know that our treatment of the Irish has made us the laughing-stock of Europe and the political tool of America—they never laugh at corruption and tyranny in the U.S.A.; they are too used to those jokes at home. Refuse to discuss Irish affairs with the English and Scotch and Welsh who sit in the House of Commons. Say abruptly that they are a question for Irishmen, and curtly move that all troops be withdrawn from Ireland within a week, and Dublin Castle let as a lunatic asylum; the present governing staff will give the institution a helpful start with its first patients. Then the rest is for the Irish to settle. If they desire to kill each other off, by the South fighting the North, that is their own concern. But it is far more likely that, in a fit of charming Celtic humour, they will put

Sir Edward Carson and his friends (and probably a few of the more excitable extremists on the other side) into Dublin Castle, under its new management, and then everybody will begin to wonder what they have all been fighting about. They will find that half the row has been only the noisy chattering of the politicians, who make their reputations by chattering about nothing. If we can also get rid of some of our Welsh politicians by persuading them likewise to agitate for Home Rule for Wales, then it will be delightful. Do what you can in this direction, but it will be a hard task, we fear. The Welsh, unlike the Irish, are not a generous, unselfish race. They do not want Home Rule for their own land—they prefer to govern England. As the question arises, deal with the whole Empire, including India, on the same generous lines. But do not necessarily imagine that India, for example, wants Home Rule because a small section of Europeanised Indians think they could govern better than we can. They would probably govern far worse. Still when they have both tried, they will discover which side the respectable common people (who do not govern or judge or play politics) prefer. However, get it out of your head that the mission of Britain is to conquer the world and teach all peoples to have Houses of Commons and other institutions which look more useful and democratic than they really are. The idea of Englishmen thinking they are the chosen governors of India only amuses us, when we think what a pantomime we

make of our government at home. It may be rough luck for the peasants of India to be handed over to their own politicians (for, after all, our administrators are usually honest and generally efficient), still we have fought the Great War to prove the right of Self-determination ! If we elect you to Parliament, you will be almost the only member who believes that doctrine ; you will be in a hopeless minority, so you must make the best you can of the matter. But never refuse justice or liberty to a people, just because it is for Britain's selfish interest to refuse. The world was not made to give British merchants an Empire for trade, neither was it made to supply the governing set with official posts for their sons. Always remember to be a gentleman before you become an imperialist—for afterwards it will be almost impossible.

On the matter of finance we do not expect you to think of any bright idea which will distribute wealth more equally by conjuring tricks with budgets and revenue officers. We know that the only way to get our fair share of the wealth of the nation is to produce that wealth under our own management. It is such a childish game to produce for our masters, and then hope to get it back by a heavily graduated income tax, or some other Exchequer sleight of hand. Nevertheless, until we are wise and clever enough to form our own Guilds and Labour Banks, by all means do what you can for us by a heavy income tax on great incomes, and still heavier death duties. Let the former begin

very gently on an income of £500 a year—let everything below that escape ; let it be very modest up to £1500 or so, then make it stiff, and don't leave much to anybody over £10,000 a year. What services a man will not do for ten thousand a year we can do without.

But the income tax is too easily evaded and a great nuisance (both to the patient and the revenue officers) to assess. So, if possible, let us have a system of *pro rata* stamp duties on receipts and cheques and legal documents charged in proportion to the sum involved, and levied at so many pennies in the pound according to the amount required by the Exchequer. The value and number of receipts and cheques and deeds a man signs is not at all a bad estimate of the amount of money that is passing through his hands. Further, at once pass a law to value all the land of the Kingdom, and enact that all future rises in value (which are not due to fresh capital spent on the land in the form of new buildings or agricultural improvements and so on) shall go to the national Exchequer and not to the landlord who has done nothing except wait until somebody else increased the value of his land by coming to live and work on it. As soon as possible, continue the process until the State is the direct landlord, though it may still be wise to grant practically perpetual leases, in which a rise in rent will be represented by a rise in taxation, just as to-day a man pays a higher income tax when his income grows more valuable. In legal theory to-day the Crown is already the landlord of all land, and

the holder is merely a tenant. It will not be very difficult to translate this theory into the practical fact of a rent paid to the State which might easily be made almost the sole national tax ; and this without preventing the free passing of land between individual occupiers.

The nationalisation of land brings us to the subject of nationalisation in general. We are not at all enthusiastic about it. The adoption by you of any system which will put more governments and more political secretaries on our already overweighted shoulders, will be very likely to make you lose your seat at the next election. We want as little nationalisation as possible. Land seems an urgent case for it, though even here much can be done by absorbing rises in monopoly value by mere rises in taxation. Coal and minerals and the railways and canals (like the roads) in general, certainly should be the property of the whole community. But in the name of heaven, don't put the working of the coal mines under a national department at Westminster. The mines should be leased by the Mining Guilds (including all the expert managing staff) and they should be paid for every ton of coal they bring to the surface, whereupon the more coal they produce the more they will earn. The non-producing owners and shareholders must be taken off the shoulders of the coal industry as quickly as possible ; the miner, like every other worker, must be put in a position where he can feel he is getting the whole of what he is entitled to in return

for his labour, and is not giving any of it to those who have not done any of the work.

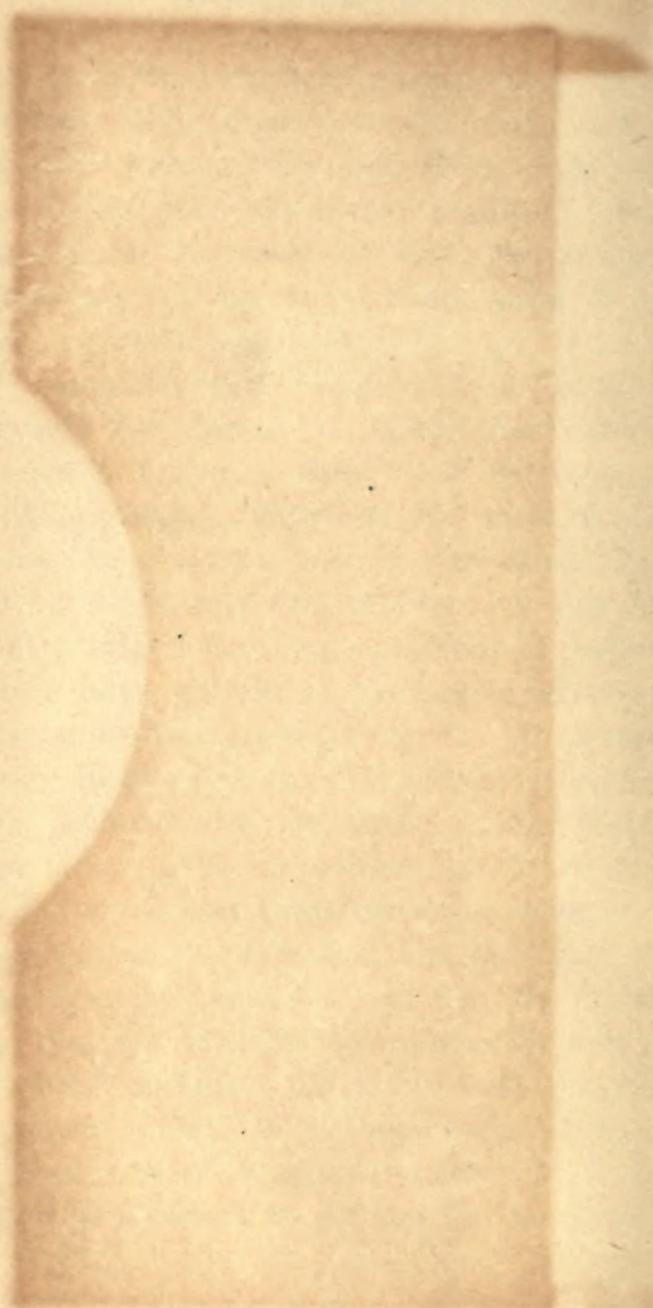
Do not be alarmed by the criticisms of the extreme people who talk in terms of political economy and forget (so often) human weaknesses. Therefore, if you can get the land and the coal mines and the railways for the community more easily and more quickly by paying a reasonable compensation in State bonds, by all means do so. There is so much waste in a revolution. If we insist on abstract rules of justice (and confiscate, instead of compensate) then, in the long run, the people as a whole may lose as much by the anarchy of a revolution as they gain by the confiscation. The community will gain so much by getting rid of the profiteers, that it will be wise not to put any obstacles in getting them out of the door. If a few pounds, one way or the other, will persuade the gentlemen to go more quickly without fighting, then pray give it. As a matter of fact, in the reformed State there won't be much scope for the wealthy to invest their funds, even if they are granted compensation ; so the whole discussion is very abstract, and it will not much affect the practice whichever way we do. Besides, by a firm Income Tax and heavy Death Duty there will not be much dangerous wealth in the next generation. So pay compensation whenever it will save time and a row. After all, it will mainly come out of the taxation of the rich themselves. There is a good deal of an argument in a circle here.

But in all your legislation preserve the liberty of the individual. So do not rush wildly into abolishing reasonable private property and discouraging initiative. Encourage the individual whenever you can, and only fall back on the State as your last resort. Do not be afraid of such things as peasant proprietors just because some Socialist professor of political economy (who lives in a town) says that the large farm ought to be more productive. There is many a slip between the *ought* and the *is*. Besides, it is not altogether a matter of political economy. The main factor in social science is the Man. Always think of the individual human being before all else when you draft your laws. He is the most immortal thing this world has produced—and all the State machinery in the world is not worth a moment's pinching of his precious soul. It is to save the individual that we order you to get rid of two very opposite things—the millionaire and the bureaucratic State. It does not matter whether the one calls himself a philanthropist and the other calls itself a social benefit. Show them both the door, heartlessly.

You will find many varied friends of very varied views who may help you. Do not judge too much by the label on the box. You will find Tories like Lord Robert Cecil a good deal more useful than many a Labour member. You will quickly be able to sort out the adventurers from the honest “gentlemen.” You will soon learn which men are in Parliament for the

good of the nation and which are there for the good of themselves. Remember there are honest men who are thoroughly wrong. The gentlemen who write the *Morning Post* (who are always rushing about wildly, trying to paint the world red with soldiers and British Imperialism), will be on your side when it comes to clearing corruption out of public life; so will the sincere *Spectator*, even though it talks rather like they did in early Victorian days. Remember that an honest man who is wrong is always less dangerous than a knave who is right. So when you meet the *Morning Post* and the *Spectator* men in Parliament, be nice to them; they will help you to turn out knaves. And that, after all, is the first problem of political life. When we have got rid of the selfish adventurers we can discuss reforms on their merits. At present most events in Parliament turn on somebody's passion for his own bank balance; or some conceited fellow wants to make a reputation in politics, and the welfare of the whole Empire has to await their convenience.

When you are rather at a loss how you ought to vote or how you ought to govern the nation, run outside and ask the first bus-conductor you meet or the lift-boy's mother. They will both probably give you common-sense. It will pass for startling original wit in the House of Commons where so little common-sense has been talked for the last few hundred years.



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